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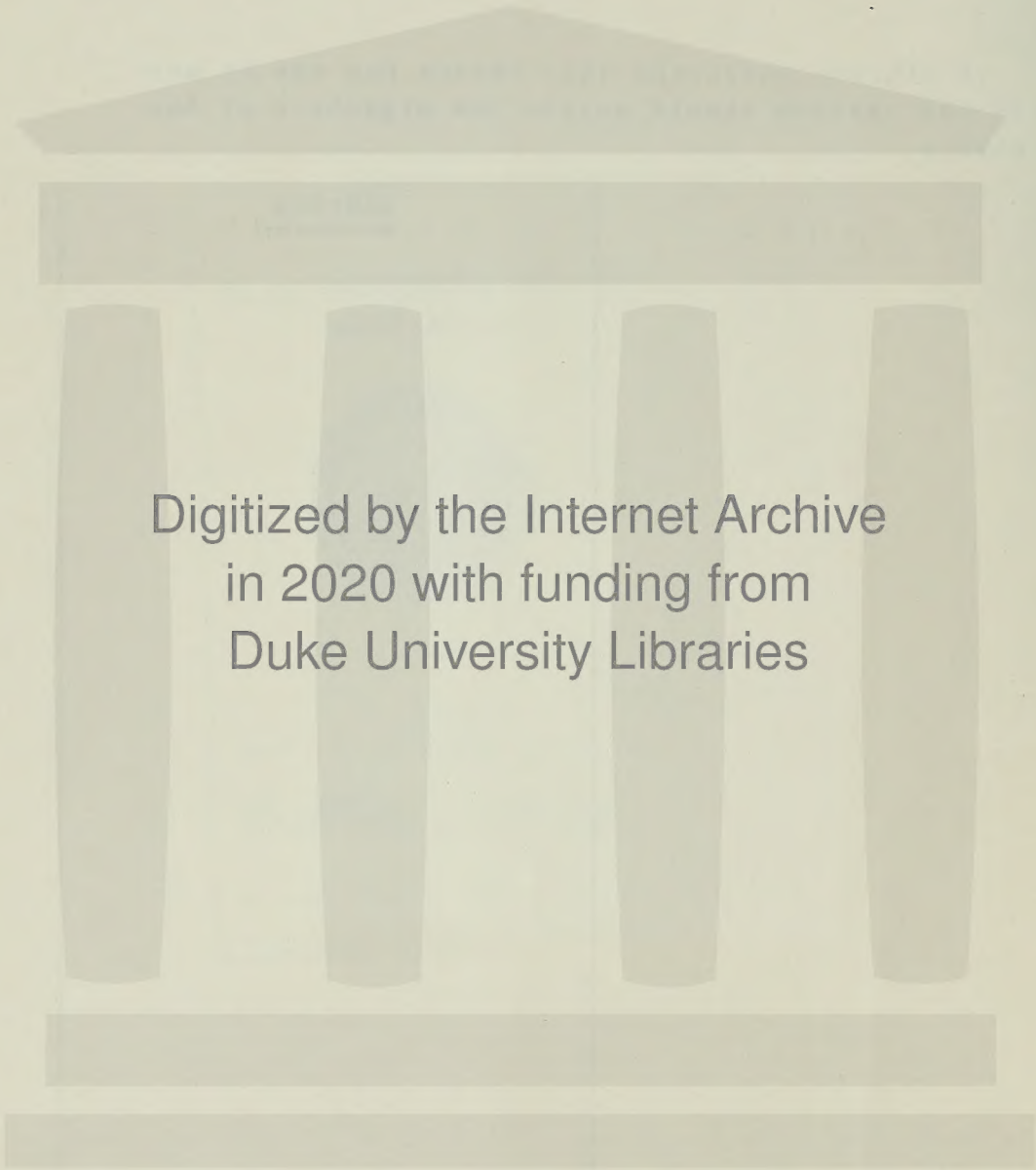
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THE SENATORIAL CAREER OF F. M. SIMMONS

1913-1931

by

Frances A. Wiley

A thesis

submitted in partial fulfillment
of the requirements for the
degree of Master of Arts
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PREFACE

The following pages set forth the political career of one of North Carolina's outstanding leaders during the period of his most brilliant activity in the United States Senate. Elected in the Fall of 1912 by the most intricate and powerful political machine ever existing in his native State, Furnifold McLendel Simmons took his seat the following March with the accumulated dignity of twelve previous years in the Senate and two in the House. An observer of the North Carolinian said in 1913:

> Senator Simmons is a small man, but powerfully built....He has dark hair and mustache, just touched a bit with gray; for according to the calendar he is fifty-eight--tho he does not look an hour past fifty, or even that. He is quiet and deliberate to the limit, except when on his feet on the floor of the Senate. He is as pleasant a man to meet as one finds anywhere. He is a Southern gentleman, completely.[1]

The period of Wilsonian Democracy, to the mind of the writer, denotes the development of Senator Simmons as a real statesman by means of the implicit confidence of the President as well as of the senior body of the United States Congress superimposed upon a dynamic personality of tremendous

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[1] A Washington journalist in the Independent, v. 74, p. 1133.

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capacity. The contribution of Senator Simmons to his Government in the critical years of 1913-1931 was one of genuine service. For more than twenty years a member of the Finance Committee, and for the eight-year period of this thesis its chairman, he was necessarily subjected to tremendous pressure. Many economic interests made appeals and protests against the policies of the fiscal expert, but few ever ventured a threat because they knew Simmons could not be managed in that way. According to the Senator himself: "I can say with all candor that I was never offered a bribe. I think I was always able to resist all temptations to surrender to any of the powerful, organized forces."[3]

The secret, however, of potential statesmanship lies not only in integrity of character but also in the power of decision. In language occasioned by Wilson's fearlessness in recommending the Revenue Bill of October 1914 in the face of party unpopularity on the eve of the national election, Simmons revealed the secret of his own potentiality. He said:

> But the President is a man who does not hesitate--and that is one of the reasons why he is so strong with the people--to do what he believes to be his duty, what he believes to be for the best interest of the people, what he believes to be necessary for the peace, happiness, and safety of the country, with-

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[3] Simmons Memoirs. Dictated to Professor J. Fred Rippy of Duke University.

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out regard to personal or political consequences.[3]

Simmons was a man of strong convictions. This will be in evidence in the stand upon the issues dealt with in the following chapters. Not once does he fail to express his views and stand unswervingly thereon. The writer must confess esteem for Furnifold M. Simmons. His was a lifelong effort to promote the best interests of his State and Nation. Errors may have crept into his political career at times, but his policies on the whole were sound and constructive.

The writer wishes to express sincere gratitude for the careful supervision and the personal inspiration of Dr. J. Fred Rippy, under whose kindly direction this project has been carried out.

Durham, North Carolina
Spring, 1935

F. A. W.

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[3] Congressional Record, 63d Congress, 3d Session, p. 1615.

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THE SENATORIAL CAREER OF F. M. SIMMONS

1913-1931

CHAPTER I

UNDERWOOD-SIMMONS TARIFF BILL

With the election of Woodrow Wilson to the Presidency of the United States in the fall elections of 1912, Democratic majorities were returned to the Senate and House of Representatives. The tariff issue was the pivot around which the election had revolved. The situation facing the new Congress was the result of many years of adherence to the protective tariff policy, and the condition resulting from fifty years of high protective rates had gradually become intolerable. "Except for sporadic and usually unimportant changes made at long intervals, the general system of high tariff taxation had been maintained from the close of the Civil War to 1913, save for a brief interval during 1894-1897 when the Wilson Tariff Bill was partially in effect."[1] It was in

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[1] Oscar W. Underwood, Drifting Sands of Party Politics, New York and London, 1928, p. 173.

answer to the demand of the American public for revision that these new Democratic majorities set themselves to the task of initiating new tariff legislation.

At the Special Session of the Senate on March 4, 1913 Furnifold McLendel Simmons, escorted by Mr. Overman, Senator from North Carolina, and three others,[2] advanced to the desk of Vice-President Marshall and took the oath of office.[3] Within a fortnight the workings of the Senate machinery were set up, and on March 13 Simmons cast his vote for Mr. Clarke of Arkansas as President Protempore.[4] At the session of two days later the name of Mr. Simmons was announced for eight committees: Coast Defenses, Commerce, Engrossed Bills, Expenditures in Department of Agriculture, Examination of Several Branches of the Civil Service, Inter-oceanic Canals, Transportation and Sale of Meat Products. The Committee on Finance, which must assume responsibility of supervising and overhauling the forthcoming tariff revision bill having passed the House of Representatives, was composed as follows: Furnifold M. Simmons of North Carolina, Chairman, W.J. Stone of

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[2] Senators Lee, Townsend, and Crawford.

[3] Congressional Record, 63d Congress, 1st Session, (cited hereafter as Congressional Record, 63-1), p. 2.

[4] Ibid., p. 9.

Missouri, J. S. Williams of Mississippi, C. F. Johnson of Maine, B. F. Shively of Indiana, T. P. Gore of Oklahoma, C. S. Thomas of Colorado, O. M. James of Tennessee, and William Hughes of New Jersey, Democrats; Boies Penrose of Pennsylvania, H. C. Lodge of Massachusetts, P. J. McCumber of North Dakota, Reed Smoot of Utah, J. H. Gallinger of New Hampshire, C.D. Clarke of Wyoming, and R. M. La Follette, Republicans.[5]

The preliminary work of writing the Tariff Bill of 1913 had been started in the Congress of December, 1912. The Ways and Means Committee[6] took no vacation after adjournment but worked continuously in order that the passage of the bill might be expedited in the next session of Congress. The plan succeeded, and on April 8, 1913, the bill was reported to the House by Mr. Oscar W. Underwood, chairman of the Ways and Means Committee. After the bill was approved by the Democratic caucus in the House, the Senate Finance Committee assumed the bill would pass and began its consideration "in the hope," says Simmons, "that in a very brief period of time after it was brought to the Senate I might be able to report it back to the Senate and thereby secure speedier action upon it."[7]

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[5] Congressional Record, 63-1, p. 22.

[6] Underwood, Drifting Sands of Party Politics, p. 171.

[7] Congressional Record, 63-1, p. 1498.

The progress of the Tariff measure failed to move so facilely in the Senate as it had in the House, and the anticipation for speedy action slowly changed into forebodings. On Friday, May 9, the bill was read but once when a controversy with reference to hearings arose. Simmons moved that the Tariff measure be referred to the Finance Committee, whereupon Penrose amended Simmons's motion by adding "instructions to the Finance Committee to give public hearings on the bill and the several schedules thereof." Simmons immediately made a point of order that the Penrose motion was not germane to his, but he was overruled by the Chair.[8] A long discussion ensued, initiated by Senator Smith of Michigan, in which Simmons had no part. Five Democrats, however, let it be known that they favored the amendment proposed by Mr. Penrose, and debate was only silenced when Senator Kern of Indiana laid a resolution before the Senate as unfinished business under the rule which occupied the body till adjournment.[9] As to the purpose of this resolution the New York Times comments: "Mr. Kern's course, as the titular Democratic leader, in pressing his resolution was part of the plan to put off a vote on

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[8] Congressional Record, 63-1, p. 1383.

[9] Ibid., p. 1393 ff.

the previous motion until adjournment could be taken without raising the issue again."[10]

The heated controversies on this first day cast shadows of those to come. However, a start, with some progress, had been made. In the further development of the tariff issue, as evidenced in the ensuing debates, the following prophecy seems to mold itself into fact as we shall see.

> The best explanation of the tangled situation seems to be that in the closely divided Senate party discipline sits lightly, and that certain Democratic Senators, like Mr. Martine, Mr. Sheppard, and Mr. Lewis, whose loyalty to the Administration is not doubted, have yielded to the demands of constituents to present their claims before the committee. All three of these Senators, it is thought, will in the end support the bill itself.[11]

The day did not pass, however, without some success for the Democratic Leader. Prior to adjournment Mr. Simmons requested that the bill be printed in the Record of May 10; the motion was considered as carried by the Chair, and the bill was ordered to be printed. Following this order Simmons sent a resolution to the desk asking for the printing of 5,000 copies of the bill for the use of the Senate folding room. The number

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[10] New York Times, May 10, 1913.

[11] Ibid.

was reduced to 2,000, and the motion agreed to. Thereupon the Senate adjourned until Tuesday.[12]

The Senate session of May 13 opened on schedule. The Tariff bill was read a second time, and Mr. Simmons renewed his motion for its reference to the Finance Committee.[13] Thereupon, the Penrose amendment was renewed, and Mr. Simmons expressed hope that it would not prevail. "I do not think," he said, "there is any necessity for further hearings by the Finance Committee upon this bill."[14] He upheld his conviction by reflecting upon the last two years during which time the hearings held on the schedules of the tariff bill already covered 10,777 printed pages; and that the House Ways and Means Committee began work on this tariff two months before the last Congress ended in order that the bill might be presented at this Congress, thus meeting the demands of the country and business conditions. In the midst of Mr. Simmons's able defense, Senator Smith captured the floor and gave vent to a "volcanic explosion" which was a bit off the subject. Simmons, however, calmed his comrade by stating that his purpose in speaking

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[12] Congressional Record, 63-1, p. 1430.

[13] Congressional Record, 63-1, p. 1495. The renewal of the motion occurred under Rule XIV which specifies that no motion to refer is in order until after the second reading.

[14] Ibid., p. 1496.

was not to discuss the tariff but to lay before the Senate the extent of the hearings in order that "Senators might have the facts before them and be able to decide intelligently as to whether or not there ought to be further hearings on this bill."[15] Simmons further indicated anticipation on the part of the Finance Committee that the question of hearings would arise on the Senate floor by quoting a resolution adopted by the committee which negatived the necessity of continued hearings. And in conclusion he pointed out the evil intentions of the opposition in urging this question when he said: "It is not to give more light on these schedules but to give the representatives of the protected industries further opportunity to exploit their grievances against the people...and to exploit the views of that element of the Republican Party who... do not believe that a hair should be touched upon the rates of the Payne-Aldrich law."[16]

As the debate progressed Senator Penrose took up the issue with Simmons, and each delivered oratorical broadsides against the other. Penrose likened the secret House caucus on the tariff bill to the "methods of the Spanish Inquisition", which brought laughter from both sides. Simmons retaliated

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[15] Congressional Record, 63-1, pp. 1496-1498.

[16] Ibid., p. 1499.

by declaring that the Democrats had copied Republican methods for the first time![17] Thus did the day end, and Simmons's motion had again failed to gain favorable action. The prophecy that the issue "would drag on indefinitely" was proving to be accurate.[18]

For another day had passed a long brief read by the other side occupied the Senate for an hour. Simmons objected to this waste of time and referred to the reading as a "stump speech" on the part of those opposed to the reduction of the tariff on sugar.[19] He indicated his aversion for the filibuster by asking Penrose if an agreement were possible providing for a vote on the motion to refer the bill, and declared the debate to be interfering materially with the work of the Finance Committee. Penrose denied any intention to filibuster, "which seems to be the impression", and said he was willing to cooperate on any suggestion as to the vote.[20] Adjournment, however, found the bill still lying on the table!

The situation had become so entangled by the following morning that the presiding officer was in a quandary as to

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[17] New York Times, May 14, 1913.

[18] Ibid.

[19] Congressional Record, 63-1, p. 1524.

[20] Ibid.

whether it were in his power to lay before the Senate the motion to refer the bill. Simmons said it was a "privilege motion" and might be called up during any morning hour. The Chair acquiesced, and Simmons moved that the bill be referred. The "proverbial" Smith, thereupon, objected[21] and delay again resulted. Simmons's second effort, however, was successful, and a unanimous consent was given by the Chair[22] that a vote should be taken on May 16 at 4 p.m. After seven days of fierce fighting a date had been set! The dawn of the decisive day arrived and departed, leaving in its wake the defeat of the Penrose amendment and the victory of the Simmons motion. Thus had the great leadership of the North Carolinian finally become effective against the tremendous impact of the opposition.

The Penrose amendment had been defeated but not its author. On May 13 he introduced a motion that a full list of all those appearing before the Finance Committee for hearing relative to this bill should be reported to the Senate. Objection being made by Senator Owen of Oklahoma the resolution was ordered to lie over; whereupon Mr. Penrose sent a second resolution to the desk ordering to be printed 3,000 copies of his amendment including two questions appropriate to be asked of manufacturers. The verity of the prophetic passage quoted above (page 4) from the New York Times seems to have been

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[21] Congressional Record, 63-1, p. 1566.

[22] Ibid., p. 1567.

proven. Simmons, of course, opposed the resolution because of the adverse action of the Senate toward it, and objection by Mr. Owen was again sustained;[33] however, one might conclude that Mr. Penrose's efforts toward publicity of the hearings were in answer to the demands of his constituents and not wholly for the purpose of filibuster and ultimate defeat of the tariff.[34] On May 20 Penrose submitted the first resolution again, and agreement was expedited when its exact meaning was stated by Senator Penrose and understood by Senator Simmons; i.e., that only names of those filing briefs should be reported to the Senate. Settlement having been reached, Senator Lodge replaced Penrose in the debate.

Lodge, mistaking Simmons's stand on the issue, continued to argue until finally the inutility of the discussion became evident to the Senator from Massachusetts, and he took his seat.[35]

But there was "a nigger in the wood-pile". Mr. Simmons stated that in his opinion all resolutions ought to be considered by the Finance Committee before coming into the Senate, and in the future he would so insist, but he would not oppose the

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[33] Congressional Record, 63-1, p. 1632.

[34] Ibid, p. 1653.

[35] Ibid., p. 1654.

passage of this resolution since it did not require the names of all persons conferring with the majority members of the committee to be submitted. Hardly were these words uttered when Senator Lippitt of Rhode Island offered an amendment contrary to Simmons's statement: "That all briefs...shall be promptly printed and made available for public use." Thereupon, Simmons moved that the resolution be referred to the Finance Committee, basing his opposition to Lippitt on the grounds that "it is unnecessary to be instructing the Finance Committee about all of its duties in this matter."[36] It is a significant fact that Simmons won victory without his own vote! The resolution of reference passed by a vote of 42 yeas and 32 nays, 25 not voting.

On May 27 Lippitt made his last thrust at Simmons on the question of hearings. Asking what had been done with regard to the matter, Simmons replied, much to Lippitt's astonishment, that a resolution had been adopted by the committee providing for the printing of all briefs.[37]

Thus was victory gained by both sides, but it was won under the guidance of Senator Simmons against strenuous opposition. From the very beginning of Congress Simmons had favored briefs to oral hearings. "Before any suggestion had been made

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[36] Congressional Record, 63-1, pp. 1664-1665.

[37] Ibid., p. 1764.

as to the printing of briefs," he said, "I had outlined... this plan of printing the briefs for the use of the Senate."[28] The courageous North Carolinian believed in a principle and was not to be swerved therefrom.

During the month of June, while the tariff was under committee consideration, the even tenor of Senate procedure was disturbed by the issue only on the question of printing. Senator Smoot having prepared a comparison of the rates of duty levied by the tariff of 1909 and the bill of 1913 requested that his report be printed. It was so ordered without objection.[29] On July 11 Smoot requested a second comparison of rates which was ordered by the Senate. Simmons informed Senator Bristow of Kansas at the same time that a book was being printed containing authentic, statistical material promulgated by the Finance Committee and also the data requested by Mr. Smoot which would be at the Senate's disposal immediately.[30] But the press was not so unconcerned as the Senate seemed to be during this interim. On June 11 Simmons answered an accusation that President Wilson had exerted undue influence on the bill. He admitted that the President had expressed "strong

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[28] Congressional Record, 63-1, p. 1785.

[29] Ibid., p. 2130.

[30] Ibid., p. 3374.

views and convictions" as to free sugar and free wool, but stated that his action had ended there except in cases of solicitation.[31] To Townsend's charge of it being of common report that the President's activities for the tariff exceeded the activities of the lobbyists, Simmons said:

> The current view in the newspapers that a subcommittee of the Finance Committee had decided to recommend that wheat and livestock, as well as wheat and flour, should be on the free list at the instance and dictation of the President, is not correct. So far as I know, the President has expressed no opinion with respect to this matter, except that, when told of the probable action of the subcommittee putting these articles on the free list, in response to an inquiry as to his opinion on the subject he expressed approval.

Later the press stated the approval of the tariff measure by the Democratic caucus, and quoted a foreword by Senator Simmons regarding the increase of the estimates incorporated in the bill. According to Simmons,

> the tariff of 1913 went somewhat beyond the mere revenue formula and granted a certain amount of protection. As it came from the House, where it was drawn under the leadership of Underwood, who was not entirely immune to influences proceeding from Birmingham, it granted considerable protection. But the Underwood measure was largely rewritten in the Senate, and I had a large part in the re-writing. Some 634 amendments were offered

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31 New York Times, June 11, 1913.

32 Ibid.

> most of them downward revisions, and over six hundred of these, as I recall, appeared in the final bill.[33]

For this revision the Democratic membership of the Senate was divided into sub-committees among which the schedules were distributed, Simmons being ex-officio of them all. On July 19 at the suggestion of Mr. Stone of Missouri, Senator Simmons, as chairman of the Finance Committee, laid the bill before the body, giving at the same time a resumé of the tariff question since 1908. However, before submitting the amendments proposed by the committee, Simmons laid a firm foundation on which to rest them.[34]

> The bill now presented to the Senate...is a fair interpretation of the will of the people and is an honest compliance with the pledges of the Democratic Party with respect to the revision of the tariff....Like the House,[35] we have sought to find

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[33] Memoirs of Senator F. M. Simmons. Dictated to Professor J. Fred Rippy of Duke University. (Hereafter cited as Simmons Memoirs.)

[34] Ibid.

[35] Mr. Underwood, representing the views of the Ways and Means Committee, announced on the House floor: "We insisted that no article at the custom-house should bear a tax so high as to entirely cut them off importations and entirely destroy competition coming from abroad with the domestic article of like grade." Underwood, Briefs and Party Position, pp. 104-105.

> a basis of action which would untax the necessaries of life as far as it is consistent with the revenue needs of the Government, which would lay the heaviest burdens upon the luxuries of the rich, and which would impose upon those things which are neither price necessities nor luxuries, but which are proper subjects of tariff taxation, a rate sufficiently competitive to yield revenues adequate to meet the needs of the Government on the one hand and on the other operate as a regulation of domestic prices by making outside competition at all times possible.

Thus was born the "competitive idea", a principle worked out by Simmons and Underwood, which reacted against the Senate among those accusing Simmons of being a protectionist. In his own defense the Senator said:

> I certainly am not in the Republican sense of the term. I have long believed in a competitive tariff, but that phrase was not written into the Democratic national platform until 1920. The Republicans find out what they need--not by letting them tell me what the manufacturers want and give it to them. I would find out what they need--not by letting them tell me what they need, but through the careful investigation of experts. I would give them the privilege of enjoying the benefit of the market, but not of exploiting it. I am willing to protect small domestic competitors who are actually competing with each other; but I have never believed in protecting trusts and combinations, controlling domestic prices, from the competition of foreign companies. I believe that experts should constantly collect facts, with an eye always on prices, so that the tariff here may be let down on the proper commodities at the appropriate time. In this way competition will be maintained and the consumer protected.[37]

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[36] Congressional Record, 63-1, pp. 3540-3552.

[37] Simmons Memoirs.

This, briefly, was Simmons's broad policy which he followed throughout the long years of arduous labor on tariff legislation.

In his analysis of the bill[38] Simmons suggested certain minor changes in Schedule A, the chemical section. Striking reductions, he said, were made as well as slight advances: dyeing materials were put on the free list due to the large quantities used by textile industries; creosote and linseed oils and flaxseed also were to be admitted free because of extensive use. Changes in Schedule B were few. The cement industry, Simmons averred, is strong enough without government aid, and while pointing to the success of the American bids in Panama against those of foreign countries, he declared cement to be admitted untaxed. Asphalt, too, was included in this group. "A tariff on asphalt is a tax on roads!" Many of the heavy articles in Schedule C were placed on the free list and the remainder were reduced to one-half the existing law. Even the iron and steel industries, Simmons said, admit that pig iron can be produced here as cheaply as anywhere in the world; and in order that the United States Steel Corporation might have competition it is put on the free list.

In the progress of his speech Simmons emphasized the advantages to the farmer under Schedule G. Many farm products

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38 Congressional Record, 63-1, pp. 3550-3554.

were on the free list with a countervailing duty against countries prohibiting free entrance of our meat and flour. Cattle, sheep, sugar, wool, eggs, potatoes were untaxed, while a reduction was made on oats, rice, barley, and butter. "In revising the highly protective tariff to a revenue and competitive basis, logically and necessarily heavy reductions have been made all along the line." Quoting from this section of Simmons's speech the Times said:

> Everyman, whatever his occupation will be the beneficiary in some direction, to a greater or less degree, of this general system of reductions. In this respect the farmer has been shown special consideration. Practically everything he buys has been put on the free list or the duties have been greatly reduced. For his special benefit cotton bagging and ties, and the materials out of which sacks for grain, wool, fertilizer, etc., are made; wire for fencing and baling purposes, and similar articles of farm consumption, have been put on the free list....He will be in a large degree the beneficiary of free listing building materials of various kinds, materials used in the construction of roads, textbooks for schools, etc., boots and shoes, low-grade blankets, harness, saddles, and saddlery, wagons, carts, sewing machines, and other like products.[38]

Simmons further wished a balanced economy between industry and agriculture.

> I have lived the said most of my life in the agricultural section of eastern North Carolina. I spent a year or two in the west, at Winston-Salem. I was a friend of industry as well as of agriculture.

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[38] New York Times, July 20, 1913.

> I could not give the industrialists all they wanted, but I was willing to grant them all they were entitled to. I would give them a fair chance to hold the market, but I would not permit them to exploit the consumer if I could help it. Trusts and monopolies needed foreign competition to force prices. The dropping of the rates from time to time is a good test to determine whether prices are too high and whether there is combination in restraint of trade.

Thus to Simmons was tariff a science based not upon the mere allegations of interested parties, but a problem which required experts.

Simmons continued his defense of the tariff in an able discussion of the commercial expansion of the nation under the measure. "Undoubtedly there will be increased importations under this bill; that was intended and provided for in the reduction in rates it makes. Moreover, you can not revise the tariff so as to give relief from present tariff burdens except by enlarging opportunities for importations." Imports, he estimated, would be increased $123,000,000 by these changes. But, the other side enjoined, if people increase purchases abroad, home industries will be closed. No, Simmons declared, imports increase exports. Maintaining the standard of a low tariff he said:

> It seeks in such ways as are open to us to establish upon a broader basis that spirit of amity on which international good will rests, to remove

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40 Simmons Memoirs.

> unhampering restrictions, to broaden the basis of international trade and enable the American producer to take advantage, in greater measure than has been possible under past and existing tariff conditions, of our great national opportunity in the markets of the world....I confidently predict it will open a broader field to our manufacturers and farmers...and that the resulting expansion of both our foreign and domestic trade will open new opportunities to industry and enlarged employment for labor.[41]

The object of the income tax section of the bill, according to Simmons, was "not to supply a deficit in revenue, but...it is based on the theory that property should bear its just share of Federal as well as State taxation, and that therefore the rate of this tax should be fixed with a view to requiring the wealth of the country as reflected in the incomes of the well-to-do to contribute equitably to these expenses." Exemptions from this tax, he pointed out, extend to incomes of $3,000 for a single man and $4,000 for the married. "It is expected that the income and excise tax will yield at least $100,000,000 of revenue annually...."

In the subsequent section of his speech Simmons set forth the most important difference between this bill and the Payne-Aldrich law which it supersedes. The duties of the former, in the main, he said, are ad valorem and assessed on the basis of the value of the thing taxed while the present law taxes on the basis of weight and quantity. "A tax on imports on the

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[41] Congressional Record, 63-1, p. 3553.

sole basis of quantity is an unequal tax...and an undemocratic tax....It is just as unequal as would be a State tax assessing lands upon the basis of acreage without reference to location or fertility."

In closing his meticulous analysis Simmons mentioned the long labors and earnest study which had been put on the bill, and in conclusion said:

> Your committee now submits the results of its labors with the confident belief that the enactment of the House bill as amended into law will result in a more equitable distribution of the burdens and incidental benefits of our system of customs taxation; that it will tend to disintegrate the monopolies built up under the protective system, and offer enlarged opportunity to individual effort; reduce the cost of living and relieve the people of many of the burdens of the unjust, discriminatory, and oppressive tariff imposed upon them by the Republican Party at the dictation and in interest of the privileged few who have for more than a third of a century dictated the policy and legislation of that party.[48]

The bugle had sounded; it was time for battle. Hardly had Senator Simmons taken his seat when Senator Cummins of Iowa engaged in an acrimonious attack against the bill the prolixity of which occupied the Senate for two hours. His indictment charged free trade and discrimination against the farmer and declared the purpose of the bill for revenue was

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[48] Congressional Record, 63-1, pp. 3553-3554.

"as preposterous and obsolete as the Payne-Aldrich bill."[43] On July 1 the attack was continued by Senator Smoot who spoke for three hours calling "the Senate's attention to many of the inadequate, excessive, and inconsistent rates provided for in the bill."[44] On the following day Smoot spoke again and vociferously attacked the bill as favoring southern manufacturers and unfairly treating other sections of the country.[45] Finally, on July 23, such a serious situation had resulted from the arguments of Senators Simmons, Gallinger, Lodge, Bristow, and Cummins on the question of the reading of the bill for action on the committee amendments that the bill was temporarily laid aside. Later, however, agreement was reached that each paragraph could be adopted tentatively with the possibility of its future amendment, and the reading of the bill was begun by the secretary.[46] The remainder of the day passed off quietly, several amendments having been adopted and several rejected, among this latter group being two proposed by Senator Smoot

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[43] Congressional Record, 63-1, pp. 2554-2567.

[44] Ibid., pp. 2576-2588.

[45] Ibid., pp. 2601-2611.

[46] Ibid., pp. 2629-2635.

and two proposed by Senator Lodge. On their adoption or rejection, however, Simmons had nothing to say.[47]

Thus began the Senate discussion on the Tariff bill which was to occupy the body for the months of August and September; nevertheless the summer heat did not exceed the temperature of the debates as we shall presently see. On July 26 Simmons entered into battle with the opposition on the peanut oil tax. Senator Lodge proposed that the oil should be untaxed, and Sherman courageously defended the amendment by declaring the oleomargarine manufacturers would not pay the duty but would add it to the finished product. Simmons retaliated that the manufacturers could produce a product with the color of butter by spending $35,000 and escape the excise tax altogether. On the motion of Senator Simmons, however, vote was taken and the Lodge amendment was laid on the table.[48]

A half a century ago General Winfield Scott Hancock declared 'the tariff is a local issue'. His statement appeared in the newspapers and was received with much good-humored laughter causing the General's Presidential campaign to be ridiculed.[49] Perhaps he died in the belief that he was cor-

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[47] Congressional Record, 63-1, pp. 3635-3653.

[48] Ibid., pp. 3772-3787.

[49] William G. McAdoo, Crowded Years, Boston and New York, 1931, p. 300.

mitted a ridiculous blunder, but had he lived to attend the Congressional sessions of 1913 he would have had the verity of his statement proven. The tariff *is* a local issue! A very large majority of the arguments brought out during the discussions of this bill were not only local in outlook but also incredibly narrow and selfish. On July 30 and August 1 respectively Senator Gallinger introduced two amendments raising the ad valorem duty on granite. Simmons, realizing the desire of the Senator from New Hampshire to maintain a monopoly on granite, ably upheld the committee rate by projecting the issue back to his own State. Only eight states, he said, produce more granite than North Carolina, and yet no complaint has been heard from there. New England states need protection against each other; competition between Maine and Vermont makes granite prices higher in New England than in Europe. Senator Gallinger made a counter-attack, but to no avail--both amendments were rejected.[50]

Again, on August 5 the duty on bar iron was hotly contested by the Pennsylvania senators. Simmons referred Senator Oliver to the Paper report, dealing with the cost of producing pig iron abroad, which stood as authentic proof that the cost of production is lower in the United States than abroad. The debate at length merged into a controversy over labor costs

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[50] Congressional Record, 63-1, pp. 3030-3065.

here as compared with those of foreign countries. Oliver complained of a lower duty on iron bars (a more valuable product) than on steel bars, while Simmons answered that the ad valorem rate on value would determine the duty. Thus the argument continued until finally interrupted by the Presiding Officer,[51] and so the list might continue to a tiring length until each Senator had expressed himself as to his unconscious but selfish motives regarding the tariff. The above illustrations will suffice, however, to indicate a national vision on the part of the chairman of the Finance Committee in contrast to the locally minded senators. After studying the Congressional Record carefully, the writer has found no evidence of a single narrow-minded or local inclination on the part of this noble statesman.

As the middle of August approached progress on the Tariff bill could hardly be detected. The proposed currency legislation seemed to be coming to the forefront at the expense of the tariff. On August 5 Simmons stated to the Senate that he would object to any debate "except by unanimous consent during the morning hour upon matters that are brought to the attention of the Senate which do not come up regularly for discussion during that hour under the rules."[52] Tedious and tech-

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[51] Congressional Record, 63-1, pp. 3098-3101.

[52] Ibid., p. 3086.

nical explanations on certain phrases and clauses of the bill were then undertaken by the opposition, and Simmons was compelled to take further steps toward the obstructing filibuster. On the 10th the Times reported a conference, with Simmons, Smoot, and La Follette as participants, in which Simmons sought a compromise by suggesting minor amendments to the agricultural schedule if Republicans would shorten their speeches.

> The offer was coldly received. As a matter of fact, the Republicans are more troubled about the impending currency legislation than about the tariff, and they are anxious chiefly for assurances that the Currency bill will go over until next session. They met Mr. Simmons' proposal therefore by asking him if he would guarantee that the amendments accepted in the Senate would be sustained in the conference. Mr. Simmons said he could not make such a guarantee, and the conference ended with nothing settled.[53]

But the two threats of the courageous Senator were ineffective--the goal was yet three weeks off!

This new bill, "for the first time in the permanent peace legislation of the United States,"[54] enacted legislation that placed a fixed and permanent tax on the wealth of the country by imposing an income tax. The provision was added as an amendment to the bill and went into effect with it, occupying the September deliberations of the Senate. Simmons

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[53] New York Times, August 10, 1913.

[54] Underwood, Drifting Sands of Party Politics, p. 153.

expressed himself as favoring a definition of the word "income". Cummins wanted to let each taxpayer make out his own return to be corrected by the income tax officer. Simmons averred it to be better to indicate the legislative judgment as to what constitutes "income", and require the taxpayer to account for his income on those particular things. "If we make a mistake and include in our designation of what is 'income' something which is not income, but property, then of course, the court would come in and settle that controversy." Cummins said this would lead to judicial review and consequent declaration of unconstitutionality, to which Mr. Simmons replied: "Why, Mr. President...." Here the argument was interrupted.[55]

On August 29 Simmons engaged in further disputes with regard to the income tax. Senator Lodge, making the broad statement that the tax on employees gave offices to political favorites, was brought within reason by Simmons when the latter said the provision applied only to agents, deputy collectors, and inspectors.[56] This debate was followed by a discussion between Simmons and Root over a technicality of language: "The voluntary acceptance of the fraudulent invoice of goods... shall be deemed to be an attempt to enter such merchandise."

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[55] Congressional Record, 63-1, pp. 3844-3845.

[56] Ibid., p. 3874.

Senator Smoot desired the bill to read that the mere receipt of the invoice was to be "fraudulent attempt".[57] And thus the senators wrangled until Bristow advocated the printing of one of Senator Gronna's speeches as a public document which objected Simmons's objection until opportunity and time permitted his examination of it. The objection was sustained.[58]

Senator Simmons's contribution to "this most important Senate amendment"[59] was not limited, however, to his oratory on the Senate floor. It was something more than that, important though that was. On September 5 he offered an amendment to the bill providing funds for the purpose of the apprehension and trial of income tax violators. Again, the following day, a second amendment was submitted and accepted. When a State, Territory, or the District of Columbia has entered into a contract in good faith with a utility company to construct a public utility, Simmons negatived in this amendment any tax upon the income of such utility "so far as the payment thereof shall impose a loss or burden" upon the particular government involved.[60]

During the last week of the tariff debate Mr. Simmons

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57 Congressional Record, 63-1, p. 3932.

58 Ibid., p. 3933.

59 New York Times, September 10, 1913.

60 Congressional Record, 63-1, p. 4306.

offered three amendments to the bill, all of which were agreed to without discussion. On September 3 it was agreed that the act prohibiting importation of white phosphorous matches should continue to be in force and the tax on manufacture of the matches should not be removed.[61] The second was an amendment to the wine schedule: that broken packages, from which a part of the contents had been lost, should be reappraised and duty paid only on that portion which remained intact.[62] And the third amendment removed the restrictions under the Payne-Aldrich law on the manufacture of denatured alcohol. Simmons quoted the Department of Agriculture as saying it was impossible to make this product in plants costing less than $15,000 because the spirits had to be mixed which was impossible in a small distillery on a farm; therefore, it was the purpose of this amendment to make it possible for farmers to manufacture the product at "a reasonable cost."[63]

On September 9 victory was near for the bill. Senator Simmons asked unanimous consent that the Senate vote the following day and this was finally given by the Chair after the

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[61] Congressional Record, 63-1, p. 4140.

[62] Ibid., p. 4354.

[63] Ibid., p. 4354.

objections of Bristow, Norris, and La Follette were laid aside. Accordingly, at 5:40 p.m. on September 9 the bill was read a third time and the roll called. The name of Senator Ashurst was heard first and a loudly shouted "aye" reverberated through the crowded corridors.[64] The roll proceeded deliberately until the name La Follette was called. "The Wisconsin Senator, seated on the front row, hesitated a moment. His head was lowered and resting on his hand. He leaned forward a trifle and vigorously answered 'aye'." Instantly applause broke forth from the audience, and the Democratic senators began a vigorous demonstration of enthusiastic hand-clapping. Concerning this vote La Follette said:

> I realize what I did was a political sacrifice, but that within me compelled me to vote for the bill. The Tariff act of 1909 was but little short of a crime; the bill passed today is not a Democratic measure, but a protective measure. Every change made by the Finance Committee was made by way of adjustment to a protective basis, except such as free wool and free sugar which were determined on the [illegible]....

The Republican ranks rendered a second "aye" when the name of Poindexter was called, and concerning the vote Poindexter said: "I voted for the Senate Tariff bill because it is, as

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[64] Congressional Record, 63-1, p. 4617.

[65] New York Times, September 10, 1913.

a whole a better bill than the Payne-Aldrich law, now in force ...." [66] Two Democrats voted negatively as the roll continued to be called until finally the last name was heard. The result was a victory for the Underwood-Simmons bill, the total yeas being 44 against 37 nays, 14 not voting.

The scene of this Senate session must have been dramatic indeed.

> With the exception of the diplomatic gallery, which, as usual, was absolutely empty, all the galleries were crowded. This, with the dense line of members of the House who pressed close against the semi-circle of Senators' seats, gave the scene an air of intense expectation, recalling well-known paintings depicting historic moments in the Senate. But through roll calls up to the final vote little gusts of suppressed laughter and the low hum of conversation among Senators showed that the actors in the drama were more impressed than the spectators. [69]

Immediately upon the final vote Senator Gallinger expressed his appreciation for the considerate manner in which Simmons had conducted the debate on the bill.

It has been my privilege, the said, to parti-

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66 New York Times, September 10, 1913.

67 Senators Ransdell and Thornton.

68 Congressional Record, 63-1, p. 4617.

69 New York Times, September 10, 1913.

> sipate in the consideration of several tariff bills, and I recall no instance in which a bill has been managed on the floor with greater consideration for the minority and with so little asperity and ill feeling between the contending sides of the Chamber, credit for which is largely due the Senator from North Carolina. (Applause) The bill itself is bad, but its management has been in every way creditable to the majority and eminently fair to the minority.

Under emotion[70] Mr. Simmons replied:

> Mr. President, I wish to assure my friend from New Hampshire that I shall ever remember with keen appreciation the gracious terms in which he, speaking for himself and his colleagues of the other side of the Chamber, has referred to me personally and to the part I have played as Chairman of the Finance Committee in connection with the great legislative measure upon which we have just voted.[71]

Following these statements Simmons was appointed conference manager for a joint meeting with the House on the Senate amendments. On the same committee were: Senators Penrose, Williams, Lodge, Johnson, La Follette, and Stone, who withdrew to be replaced by Senator Shively.[72]

The bill had passed! "A phenomenon not witnessed before in over half a century before the Civil War era has taken place, a thing considered impossible six months ago by

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70 New York Times, September 10, 1913.

71 Congressional Record, 63-1, p. 4018.

72 New York Times, September 30, 1913.

the closest observers and friends of the proposed reform."[73]

On September 10 Senator Simmons made the following statement to the press:

> I am greatly gratified that the bill was passed, and I think it will not be long in conference. In my opinion there has been some stagnation of business in the country pending the action of the Senate. Now I believe that there will be an immediate stimulus to business and that in the end we will have better times in this country.

The average percentage of the rates of the original House bill had been lowered four per cent by the Senate, and the average reduction in the existing law was 38%. Retaining the principal House provisions and maintaining an average ad valorem rate of 26%, Simmons stated to the press that the additions to the free list would cost the government $44,000,000.[75] Concerning the leadership in the passage of the bill President Wilson said:

> A fight for the people and for free business, which has lasted a long generation through, has at last been won, handsomely and completely. A leadership and steadfastness in council have been shown in both houses of which the Democratic Party has reason to be very proud. There has been no weakness or com-

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[73] New York Times, September 30, 1913.

[74] Ibid.

[75] New York Times, September 10, 1913.

> fusion or drawing back, but a statesmanlike directness and command of circumstances. I am happy to have been connected with the Government of the nation at a time when such things could happen and to have worked in association with men who could do them.... I want to express my special admiration for the devoted, intelligent, and untiring work of Mr. Underwood and Mr. Simmons and the committees.[76]

For three weeks the bill remained in the Senate-House conference. On September 30 Simmons said: "The debate on a tariff 'conference report' is purely formal, and will, with the possible exception of the proposed tax on cotton futures, not change a word or a line of it."[77] But this period of reflection did not have the same effect upon everyone that it had upon Mr. Simmons. Fears and apprehensions arose among the senators as well as the people with regard to the sufficiency of the revenue bill. In reply to the expressed anxiety of the House managers Simmons gave to the press the assuring statement that "the amendments as they now stand would provide in normal years a surplus of $16,000,000 and for the current year the receipts would be sufficient."[78]

On October 2 the bill, containing certain minor changes

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[76] New York Times, September 10, 1913.

[77] Ibid.

[78] New York Times, September 30, 1913.

in the income tax section, was reported to the Senate from the committee and adopted.[78] Total disagreement between both Houses had occurred only with regard to one amendment.[80] In presenting the measure to the Senate,[81] Simmons assured the body that the Finance Committee and conference committee had been alive "to the importance of providing adequate revenues for the Government. The bill as agreed to in conference, your committee is confident, will provide ample revenue for this purpose and will leave a comfortable surplus." It is, he continued, the first tariff measure ever passed by Congress in which the rates fixed by the Senate were lower than those fixed by the House; and further, it carries the lowest average rate of duty carried by any tariff bill ever passed by Congress except the Walker bill which was followed by an unsurpassed period of prosperity in our history. Concerning the income tax amendment, Mr. Simmons said:

> Mr. President, this bill results to the masses one-third of the tax they now pay to the Government through customs duties by transferring that much of their present burdens to the incomes of the rich. This is fair and just because the masses pay many times their share of these customs taxes under our

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[78] New York Times, September 30, 1913.

[80] Congressional Record, 63-1, p. 5382.

[81] Ibid., pp. 5382-5390.

> tariff system, which is a tax upon consumption; and as the poor man and the man of moderate means must wear clothes, must have a home in which to reside as well as the rich man, the amount of taxes which the poor and the well-to-do pay under a tax on consumption is altogether out of harmony with the amount the rich have to pay.

As a final word concerning the bill before it became law, Simmons ventured to express the Democratic hopes sealed into the bill and to answer the scores of questions which had been asked him concerning the framing of the measure:

> We believe that it will open more factories and will not close those that are already in operation. We believe it will increase and not curtail the opportunities of employment to labor....We have an abiding faith that it will bring prosperity and not disaster....Mr. President, there has been talk here and elsewhere about the methods pursued in the framing of this bill, especially about the caucus. Ours is a government of parties....These bills must be made by the party in power, if that party is to carry out its party pledges with reference to this party question....Instead of securing party unity and party consent through the committee, it was sought to secure a more general and thorough agreement through the caucus. As the result of these caucus conferences of the majority it can be truthfully said that this is the first tariff bill ever passed in this country that was framed by the whole body of the party responsible for the legislation instead of a small coterie of the two Houses.

And in conclusion Mr. Simmons expressed appreciation to his colleagues on both sides of the Chamber: "I shall ever remember with a feeling of pride and satisfaction every single member of the Senate."

Following the adoption of the committee report Mr. Simmons submitted a resolution for the printing of 80,000

copies of the new tariff bill, and it was adopted.[92] Thereupon the bill immediately went to the President for signature. Being the first tariff law placed on the statute books by the Democratic party in nearly twenty years, the scene at the White House on the night of October 3 must have been momentous indeed. Taking a gold pen in his hand to attach his signature and the words "Approved 9:10 P.M., October 3, 1913" before an audience of fifty witnesses who gazed upon the process with unparalleled interest, President Wilson said: "I am going to sign this bill with two pens, and give one to Mr. Underwood and one to Senator Simmons." Thereupon he placed his signature and handed a pen to each. "What Senator Simmons said as he took his particular pen from the President's hand could not be heard in the room, but it was apparent that Mr. Simmons was very happy."[93] Thus it was that the Underwood-Simmons Tariff Bill became law one minute after twelve on the morning of October 4.

The Underwood-Simmons measure was a sound and reasonable document framed by men of ability and integrity wholly free of selfish interest; and now the great machinery of the Government was ready to operate in behalf of a tax-burdened

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[92] Congressional Record, 63-1, p. 5360.

[93] New York Times, October 4, 1913.

Union. On September 30 the following advertisement appeared under the large-lettered heading "The Tariff Does It":

> Where we formerly paid Uncle Sam ten dollars on every time we imported, we now only pay him three. This means seven dollars per hire saved for you, as we have decided to give the consumer the full benefit of the 35% REDUCTION.[64]

However, the "benefits" of the bill were not appreciated on every side. Hardly had the law gone into effect when the custom house collectors made an effort to remove by force the aigrettes worn by women on in-coming steamers (the new tariff having forbidden the importation of these plumes). A cry of protest was raised by the "sufferers" which echoed in the Senate halls and brought forth an answer from the chairman of the Finance Committee:

> I think such a course is beyond all reason, and the framers of the bill never intended that such action should be taken. I feel that the provision barring foreign feathers was aimed at the importation of them as merchandise, but that it does not cover individual cases of women wearing aigrette-plumed hats when they land from abroad.[65]

Indeed, Senator Simmons's statement had as great a significance implied as stated when he said: "Every man, whatever his occupation, will be the beneficiary in some direction,

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[64] New York Times, September 10, 1913.

[65] New York Times, October 6, 1913.

to a greater or less degree" of the tariff!

The Underwood-Simmons tariff was, however, not without its ill-effects. During the debates and negotiations on the bill Underwood became offended at Simmons over several points on which they could not agree, and, incidentally, the President sided with the latter. According to Simmons, Underwood was never entirely cordial again. He said:

> In 1913, when a vacancy occurred in the floor leadership of the Senate, my friends asked my permission to make an effort to obtain the honor for me. I consented hesitatingly, and there was no sharp opposition; but Underwood organized a movement in favor of Senator Robinson of Arkansas. In the midst of the contest I received news that my old friend, Locke Craig, was on his death bed at Asheville. I rushed to his side, and after his funeral, started for New Bern. At Goldsboro I was stricken by a violent attack of influenza. After reaching New Bern I was confined to my bed for some time, and during the course of my illness I became convinced that it would be unwise for me to accept the floor leadership even though it should be offered me. I felt that I would not be equal to the task, and I therefore sent a telegram to my friends requesting that my name be withdrawn.[86]

The second unfortunate result of this new tariff was the prevention, due to the World War, of a fair trial of the economic ideas embodied therein. "I have always felt," Mr. McAdoo has said, "that such a test would have demonstrated the wisdom of that measure."[87] Indeed its rationality would

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[86] Simmons Memoirs.

[87] McAdoo, Crowded Years, p. 308.

have exerted a permanent influence for good on future tariff legislation to say nothing of the benefits which would have resulted in behalf of the public good. In a speech of September 5, 1916 Mr. Simmons, however, held otherwise to this view. Speaking of the refusal of the Republican opposition to attribute the current prosperity to Democratic legislation, he said concerning the effect of the tariff:

> Mr. President, in passing I can not refrain from referring to the great embarrassment--yea, distress--of our Republican friends because of the prosperity the people are enjoying under Democratic administration. Its effect upon their mental attitude is painful to behold. They have brooded over it until they seem to have developed a positive antipathy to prosperity. They snarl at it, turn up their noses at it, and even question whether it is not an unwholesome and sinister sort of thing to trust upon us by evil portents. They leave the impression that it would be intolerable to them but for the hope that it may soon disappear.[26]

Whether Simmons was bowing to the great god, "Politics", in his above remarks is a mere matter of opinion; but the fact remains that the bill met with many reverses, one occurring before the ink had hardly dried on the President's signature. On October 6 Senator Simmons himself expressed favor for the repeal of the rebate clause which granted a five per cent discount of duties on goods imported by American vessels. Simmons held if American vessels received a rebate, all nations with

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26 Congressional Record, 54th Congress, 1st Session, (cited hereafter as Congressional Record, 54-1), p. 13611.

whom we had reciprocal treaties should be given equal favor.

> In view of the fact that the United States has such treaties with all the leading maritime nations of the world except Brazil, France, and Russia, practically all goods imported into the United States...will be entitled to the 5 per centum rebate in the duties provided for by the Tariff act. It would, therefore, appear that the rates provided by the act will be scaled 5 per centum on all goods imported into the United States except those carried in the vessels of Brazil, France, and Russia.[68]

Further reverses of greater import will be evident from subsequent sections of this thesis. Suffice it to suggest in closing that reasons contingent upon the World War rendered a fair trial of the bill impossible.

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[68] New York Times, October 5, 1913.

CHAPTER II

FEDERAL RESERVE; APPROPRIATIONS

The Glass-Owen Bill of 1913

Banking and currency reform had been the subject of agitation for many months during the tariff debates. It had proven to be a useful weapon in the hands of Republicans who wielded it advantageously in a filibustering effort against Democratic legislation. As early as August 10, 1913 Senator Kenyon of Iowa declared the control or destruction of trusts to be more important than a revision of the tariff.[1] Tremendous opposition was further exerted by other senators in an attempt to postpone the legislation until the next session of Congress by offering Simmons a compromise on his tariff bill provided the currency measure were postponed.[2] These

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[1] New York Times, August 10, 1913.

[2] Ibid.

efforts, however, were futile; on June 30 a bill was introduced into the Senate by Owen of Oklahoma providing for the establishment of Federal reserve banks, for furnishing elastic currency, for affording means of rediscounting commercial paper, and for establishing a more effective supervision of banking in the United States.[3]

The importance of this legislation can hardly be overestimated, affecting as it did 25,000 banks scattered over the United States involving tens of thousands of stockholders, depositors, and borrowers. Already two months of thorough discussion and committee consideration had taken place, and now the measure was to be subjected to the acid test of public debate in the Senate. On October 9 Mr. Overman of North Carolina opened the morning session by requesting a report from the Committee on Banking and Currency. He complained that the Senate was merely marking time while awaiting the committee's pronouncement. He continued by attacking an effort on the part of "people", not "Senators", who were trying to prevent action from being taken in the present session, and he cited a Boston Bankers Convention which demanded the control of the nation's money and currency by individual banks

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[3] Congressional Record, 63-1, p. 2175. McAdoo, Crowded Years, pp. 337-352.

without governmental supervision or domination.[4]

It is not difficult to sense the discreet influence of Senator Simmons in the above remarks by Overman. In the long debates which followed the introduction of the bill the Senator himself spoke briefly, but his presence was felt at critical periods and was no small factor in the final outcome in the Senate vote on the measure. Senator Owen of Oklahoma answered Overman's queries by stating his own view, while, at the same time, he withheld a definite date for the committee report. "I think," he said, "that in reality we have had about all the hearings necessary for us to make up my mind"; however, "I can not speak for any other member of the committee." Again Overman asked if there were concerted efforts on the part of the bankers themselves to prevent legislation; to which Owen replied by asserting that the purpose of the Boston convention was to work up opposition and to delay or defeat the bill.[5]

With this favorable attitude on the part of the Senator from Oklahoma, Simmons took the floor. He declared North Carolina to be in favor of the measure, and asked what class of bankers was responsible for the propaganda. Owen, however, evaded direct answer to Simmons's question by pointing to the

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[4] Congressional Record, 63-1, p. 5507.

[5] Ibid., p. 5508.

difficulty of describing bankers as a class. Conventions, he said, do not always represent the great body of bankers. But the North Carolinian was not to be outdone--he asked a second question: Was this opposition, or propaganda against the bill, carried on by bankers of the financial centers interested in preventing a decentralization of the reserves? Owen again steered a middle course. In New York, he said, there are those who want the reserves pyramided there, and, of course, the Glass-Owen bill finds disapproval among them; but, on the other hand, there are other New Yorkers, such as Frank Vanderlip of the National City Bank, who gave it their support. 6

The reason for Owen's middle course in the debate with Simmons the writer can only surmise. However, it seems that Owen was taking particular care lest his statements should be misconstrued by the titanic Democratic leader, and thus throw the North Carolinian with one of the several factions in the committee. Simmons was not averse to confessing his confusion with respect to certain aspects of the bill, for his attention had long been claimed by tariff and not currency issues; he therefore manifested his open mind by asking questions for the obvious purpose of forming his opinion. It was this that induced Senator Owen to display meticulous care

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6 Congressional Record, 63-1, p. 3550.

in holding Simmons and his vast following in the fold.

The Underwood-Simmons Tariff Bill had already passed, to the glory of the Democratic administration, and now the new currency legislation received a much needed impetus. The entire attention of the Senate was centered thereon, and Senator Simmons's interest was manifested as much as was needed to insure a second Democratic victory in the first session of the Sixty-third Congress, though the actual vote occurred in the following session. With a few exemptions the Republicans made no creative suggestions; on the whole they preferred to play the rôle of obstructionists. The committee reporting the measure was severely divided; in fact, Senator Hitchcock of Nebraska presented an entirely new substitute for the Glass-Owen bill.[7] On November 20 Simmons laid before the Senate resolutions adopted by the North Carolina Bankers'

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[7] This substitute was presented for reasons based on the number of changes in the Senate revision, which totaled 79% of the House bill. The Hitchcock contentions included a larger Federal Reserve Board with longer terms for the members, deposit insurance, equal treatment of banks, and the redemption of Federal Reserve notes in gold at the banks as well as the Treasury. The substitute was defeated by two votes. Congressional Record, 63-1, p. 1334; McAdoo, Crowded Years, p. 354.

Association which offered certain modifications in the Glass-Owen bill.[8] These resolutions were referred to the Committee on Banking and Currency, where the action taken was, presumably, acceptable as the final North Carolina vote would indicate.

Senator Nelson of Minnesota was a potent defender of the Hitchcock modifications and so expressed himself on the Senate floor. Senator Simmons questioned Nelson regarding his views as to the amount of currency national banks might issue on Government bonds; and second, whether the Government had control over the amount of circulation a bank was allowed. Nelson's answers fired Simmons's former dormant spirit, and considerable circumlocution followed. Simmons's arguments, however, seemed weak, as his physical frame must have been as a result of the long tariff debates. Nelson seems to have won a decisive victory in the wrangle: "If a reserve bank buys these 2% bonds, in the nature of the case, they will want to issue circulation....To buy them as an investment would be utter folly. The Senator himself [Simmons] would not buy a 2% bond as an investment and pay par for it, and no reserve bank would do so; therefore, as a practical question, the pro-

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[8] Congressional Record, 63-1, p. 6841.

position that the Senator has submitted is of no earthly value when applied to these 2% bonds."[9]

This reply silenced Simmons for the remainder of the discussion on the currency legislation. During the following month the Senator allowed his influence to be effective only by his former expressions in support of the measure, and his voice was heard no more until December 19 when he announced "aye" for the Glass-Owen bill.[10] The affirmative vote of Senator Hitchcock is also noteworthy not only because of his substitute to the bill, but because of his former opposition to President Wilson's action in urging the measure. Quoting from a statement made on the Senate floor he said: "His (President Wilson's) wisdom and his courage in bringing this needed reform to a practical issue is to be highly commended. Nothing less than presidential influence would have made banking and currency reform possible for some time."[11]

The best expression which Senator Simmons offered in favor of the Glass-Owen bill occurred on March 6, 1914. By this time the Senator's convictions were well defined, and he did not hesitate to express himself strongly to Senator Works

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[9] Congressional Record, 63d Congress, 2d Session, (cited hereafter as Congressional Record, 63-2), pp. 537-561.

[10] Ibid., p. 1030.

[11] Congressional Record, 63-1, p. 3014.

of California who had instituted an attack on the Democratic rule. Simmons upheld the bill admirably and declared that his vote was based on the benefit rendered the "country bankers", that is, the bankers outside the reserve cities. "It is popular with them," he said, "because they have felt the throttling grip of Wall Street. They have been made its slaves and tools." Simmons continued by pointing to the contributions of the measure toward a more local understanding and convenience in money crises and forcefully endorsed governmental control of the Federal reserve system. In concluding the debate Simmons indicated the popular interest in the banking industry by suggesting the thousands of stockholders in every conceivable part of the country. [12] The Californian realized his defeat on this point, and the Republican attack on the currency issue was hushed thereby.

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[12] Congressional Record, 63-1, p. 4403.

Co-operative Agricultural Extension Work

With the opening of the second session of the Sixty-third Congress international and nation-wide issues were superseded by those of a local nature. No subject was more attractive to the Democratic legislators than that of the nation's agrarian interests, and in harmony with this purpose a bill was read in the Senate on January 16, 1914 providing for co-operative agricultural extension work between the agricultural colleges in the several states.[13] Obviously the southern farmer would be greatly benefitted by such legislation, and no Senator realized this more keenly than did Mr. Simmons.

Immediately upon the introduction of the measure Senator Simmons came to the foreground urging the necessity of its enactment into law. Mr. Smoot of Utah took issue upon the expediency of the bill, and on the 17th an interesting debate occurred between the two proponents. Smoot advised caution with regard to amendments, saying an identical bill had been introduced in the House and care should be taken lest Senate amendments jeopardize the Lever-Smith legislation. Simmons took exception to the intimation forbidding amendments and averred his approval of the fundamentals of the bill, thus

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[13] Congressional Record, 63-2, p. 1700.

denying any intention on his part to jeopardize its passage.[14]

Whether Smoot was anticipating an amendment by Simmons is a matter of conjecture; however, the great North Carolinian was not to be intimidated, and in the face of this strong and immediate opposition he proposed an increase of the ultimate appropriation for extension work over a period of four years from $3,000,000 to $5,000,000. Moreover, he launched forth in a laudatory explanation concerning the merits of instruction and practical demonstrations as given in agriculture and home economics in North Carolina. Counties, he said, contributed one-half while the Government subsidized the State for the remainder. "This bill, as I understand, is only an extension of certain work now being done by the department," he explained, and concluded by attributing the better cultivation of corn, cotton, tobacco, and wheat "to the scientific and practical demonstrations" which are conducted in the State.[15] Senator Root of Massachusetts expressed approval of the bill, but questioned the ability of Congress to steer competent men for the work as well as the expediency of the increase suggested by Senator Simmons. Simmons immediately rendered a strong rebuttal which silenced the Senator from Massachusetts. Simmons maintained that the lack of funds to

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[14] Congressional Record, 63-2, p. 1653.

[15] Ibid., pp. 1633-1634.

pay competent men was one of the problems of the demonstration work. To get good results we must pay good salaries, he said. "I cannot see why if we are going to undertake this work, we should not in the very beginning lay it out on broad, comprehensive lines and appropriate a sum of money sufficient to meet the situation and to bring the benefit of this knowledge, scientific farming, admitted by all senators to be of the greatest importance, to the individual farmers of this country."[16] Then Simmons proved equal to his opposition, but further action on the amendment was blocked by a motion that the Senate proceed to the consideration of executive business; however, before the executive session Senator Smith of Georgia secured a motion that the Agricultural Extension bill should be made the special order following the disposition of the unfinished business.[17]

Meanwhile, the House had passed the Smith-Lever bill, and on January 28 it was substituted for the Senate measure with an amendment increasing the annual appropriation from $300,000 to $600,000, a sum to be increased to three millions in four years. Thereupon Simmons withdrew the amendment he had formerly made before the Senate, declaring "the change on the part of the committee, though not all I would wish, is

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[16] Congressional Record, 63-2, p. 1838.

[17] Ibid., p. 1848.

very gratifying to me...." Senator Cummins of Iowa opposed the committee and urged Simmons to persist in his amendment. Simmons, however, refused.

> My idea is that the farmer just at this time stands in great need of the accumulated information of the department with respect to modern agricultural methods--and the quicker we could get it to him the better--and I think it is not a bad way to abate the ultimate amount to be appropriated to secure a larger immediate appropriation, and therefore, by way of compromise, I have indicated to the Senator from Georgia my willingness to accept the proposition now proposed by the committee.

Thereupon Senator Smith of Georgia arose and expressed his disapproval of Simmons's stand and attempted a correction of the Senator's "misapprehensions". To all appearances Smith was successful in assuring Simmons that the increase would not seriously interfere with the passage of the bill, and the Simmons amendment, increasing the permanent appropriation, was removed. Further action on the measure was temporarily prevented by the death of Senator Shelby M. Cullom of Illinois, and the Senate adjourned.

On the following day Senator Smith again arose and reprimanded Simmons for his reference to the committee amendment as a compromise. He said in part:

> I welcome at this late day the Senator from

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18 Congressional Record, 63-2, pp. 3437-3439.

> North Carolina into the active support of this measure, but it would hardly be just to those of us who have been working upon it so long and so earnestly to be put in any sense in the attitude of being forced by him into a compromise or being forced by anyone to give more, when we ourselves all the time have desired all that Congress thought proper to give.[19]

The Senator from Georgia did not propose to have his "ponies" taken from him! Simmons forthwith rendered unto "Caesar" the credit which was justly due him, and attempted an explanation of his amendment.

> At that time I understood the Senator from Georgia to oppose the amendment. I do not and I did not then think he opposed it because he thought the amount carried by this bill was sufficient or because he did not believe a more liberal appropriation ought to be made for this great work, but because he thought there might be some embarrassment at the other end of the Capitol....I did not meant to put the Senator or the committee in the light of compromising with me and as a result of any agreement with me bring in the amendment increasing the initial appropriation. By want I said yesterday I meant rather that I would compromise with myself.[20]

After a pleasant conclusion to the debate with Smith, Simmons offered an amendment to the committee amendment increasing the appropriation $600,000 annually for seven years instead of for merely four. A heated discussion followed, in which

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[19] Congressional Record, 64-2, p. 2511.

[20] Ibid., p. 2512.

several senators engaged. Among them was McCumber of North Dakota who said he would vote for "this cap to the American farmer" because of the recent bill in which the Democrats had "robbed the American farmer...of more than $3,000,000,000."[21] With this thrust Simmons faded from the picture, and the committee amendments were agreed to,[22] thereby opening the bill to amendments from the floor.

Before the close of the Senate session on January 30 Simmons answered Senator Cummins who charged that Georgia, the same size as his own state, had a larger appropriation under the bill than Iowa. He enlightened the Senator by pointing out that the average farm in Iowa was 135 acres while the average farm in Georgia was 43 acres; therefore, he concluded, to apportion on the basis of land area would be to give more to each individual in sparsely populated states that in those union are thickly populated, and Iowa would be given three times as much as Georgia. Cummins, however, held differently, and his point was well taken. We are making, he said, "little colleges of the farm upon which these demonstrations are taking place; and they are not only for the farmer who happens

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[21] Congressional Record, 63-2, p. 2013.

[22] Ibid., 2040.

to own the land, but for the benefit of the whole community."[23]

In a speech of February 3 Senator Simmons stated his views fully with regard to the issues at hand. The first question arising related to the distribution of the appropriations. Simmons favored the rural population as a basis for the calculation as suggested in a letter from Dr. A. C. True of the Agricultural Department.

> It will not do...[Simmons maintained] to divide this fund upon the basis of the improved acreage, because in the western country...farming is done very largely by machinery....It is not done in that way at all in the South, and can not be done in that way. So in the South raise peculiar crops which place a limitation upon the amount of machinery that can be used....You can not find any machine that will weed and hoe the cotton.[24]

Senator O'Gorman, a New York Democrat, attacked the merit of this proposition and brought forth a vehement oration from the North Carolinian.

> I had supposed the mild that the system which is now proposed to extend and enlarge had been so thoroughly tested out in recent years by actual experimentation in practically all of the States of the Union that its benefits were so obvious that there were no dissenters whatsoever.... We have contributed millions and billions of dollars as a bounty toward the development of our railroad system in this country. But everyone knows it,

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[23] Congressional Record, 64-2, p. 3502.

[24] Ibid., p. 3739.

> no one knows it better than the farmers of this country, that when...we have been helping in the development of our manufacturing, when we have been helping by bounties in the development of our railroad system, when we have been helping by annual contributions in the development of our water transportation, we have been doing practically nothing to aid the agricultural interests of the country.... During my service in the Senate it has seemed to me that whenever it is proposed to make an appropriation for the benefit of agriculture the Senate at once became penurious and stingy and closefisted.[25]

To Cummins's intimation that the South was getting more than her share of the present appropriation Simmons said "that might be justified if you take the amount that has been spent in the South and the amount that has been spent in other sections of the country;" but, he maintained, the boll weevil accounts for the South getting so large a share. Just as appropriations have been made with reference to free diseases so have they been made in behalf of the cotton pest.

Again on February 4, Simmons reiterated his stand by outlining the rise of industry and railroads in the United States and complained that agriculture had not kept pace owing to the penurious attitude of the Government. He further indicated the "electrical effect" on North Carolina which the little that had been spent there in demonstration work had produced.[26]

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[25] Congressional Record, 63-2, p. 2730.

[26] Ibid., pp. 3042-3043.

The race question was a second issue which arose among the senators, and its discussion continued until the final vote on the bill. Simmons favored separate demonstrators for colored farmers where the density of negroes was sufficient. But in sections where there were both white and colored farmers, he advocated white demonstrators only, because the whites, since they had negro tenants, would be interested in getting full value from the negro farms as shares for rent; therefore, he concluded, there will be no discrimination between white and negro farmers on this score because the demonstrator will be as interested in the negroes' success as in that of the whites since a large part of the income among the whites originate from these colored farms. Senator Vardaman of Mississippi maintained that the South should have more money because of the inefficient negro population, but Simmons disagreed with him. "The negro is an independent farmer in the Carolinas, Georgia, and Alabama," he said; "there is no class of farmers in the South today that are being more benefitted by this demonstration than are the independent colored farmers of the South."[37] Again on February 4, Simmons portrayed the negro as an independent farmer deserving of training and actual demonstration, and further stressed the basis of rural population as the proper one for apportionment. Industrialization,

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[37] Congressional Record, 63-2, p. 2739.

he said, or production per man, is not a fair basis because cotton and tobacco do not lend themselves to machinery treatment. And in conclusion he cited instances, already in practice, of increases in the production and the value of the tobacco because of education and instruction.[38]

On February 6 Senator Smith of Michigan accused the South of having "compressed" the negro, that is, of having forbidden to him the proper opportunities for advancement. But Simmons easily trapped Smith by asking him for statistics proving a greater advance in the North than in the South. In reply Smith cited a remote county in Michigan in which all the land was owned by negroes alone; whereupon Simmons asked, "Why this segregation? There is none such in the South!" There was nothing for the Senator from Michigan to do but to change the subject or quit, and he chose to do the former, but to no avail. To Smith's meek question whether the negro would derive full benefit from the appropriations, Simmons strongly averred that there was "not the slightest doubt" that he would. With this passage at arms ended, unanimous consent was granted for a vote on the bill the following day.[39]

On the last day of the debate, just prior to the passage of the bill, an interesting discussion occurred between

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[38] Congressional Record, 63-2, pp. 3043-3045.

[39] Ibid., p. 3097.

Simmons and Senator Root. The latter supported an amendment offered by Senator Jones of Washington as strongly as Simmons opposed it. Root, apparently, had acquired the false idea that the bill appropriated money for agricultural colleges--an idea which may be attributed to Simmons's support of the Chafroth amendment providing that in any college to which appropriations are made the funds shall be administered by the college only as the governor of the State and the secretary of agriculture may direct[30]--and set forth a potent appeal in behalf of the Jones amendment; whereupon Simmons undertook to correct his conviction. "This bill," he said, "does not propose to appropriate a dollar for agricultural colleges, but only provides for a certain character of agricultural work, and the agricultural colleges of the several states have nothing to do with that except to select the agencies which are to perform this work and to give them the benefit of any knowledge or information which they may have to impart to the farmer."[31] Root, in reply, appeared very friendly to the bill but still maintained the distinction as indicated by Simmons to be unsubstantial. However, in the vote on the Jones amendment we find Root on the fence. The North Carolinian did not

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[30] Congressional Record, 62-3, p. 3134.

[31] Ibid., p. 3116.

quite rally him to his side, owing perhaps to the interruption by the admir in the midst of the debate; but we find in the list of those "not voting" the name of Elihu Root, Senator from Massachusetts![32]

River and Harbor Appropriations

After the passage of the Agricultural Extension bill, great interest was manifested in the Senate with respect to the economic situation existing in the United States. The Senate program was once more to become centered on domestic issues initiated by a political struggle between Democratic and Republican factions as in the debates on the banking and currency issue. Party lines were severely drawn, and the cannons for attack were centered on the recent Democratic legislation. The Republicans availed themselves of every opportunity to flay the Administration, and especially was indictment lain against the tariff of 1913. Both parties held adverse views with regard to business and industrial conditions prevalent over the nation, and the Democrats were thrown clearly upon the defensive.

On February 13, 1914 Senator Simmons sent to the desk an editorial from the New York Herald entitled "The Business Boom." It was read by the secretary. The contents of the

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[32]Congressional Record, 63-2, p. 3134.

editorial called attention to the steadily rising prices, the large amount of unfilled steel orders, and the rising stock quotations, and concluded that "improvement... reveals itself in every branch of industry and commerce, and the boom is only just beginning."[33] This brief excerpt was sufficient to set off the Republican dynamite. Senator Works, who had been a tariff reformer in the previous Senate, charged the Administration with having achieved little, and referred to its measures as a "bunch of vicious bills". He further deplored the reductions in the tariff duties by declaring that the measure had turned over our markets to foreigners in the first four months of its operation. In reply, Simmons took Works to task and systematically tore his arguments to pieces. Especially did he express surprise that Works, who had supported Wilson for President, should now turn in an effort to disintegrate the Democratic rule. "If there is one thing that, to my mind, the sentiment of the country has crystallized upon," he said, "it is in the conclusion that during no year of our history and under no Administration has so much that makes for the peace, the happiness, the welfare, the greatness and the glory of our common country and people been accomplished as during

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[33] Congressional Record, 63-2, p. 3482.

the last year under Democratic administration."[34]

On the tariff issue Simmons further woefully demolished Senator Works by quoting statistics to show that importation increases had been negligible; in fact, he proved by his figures that imports for 1914 were less than the imports under the Payne-Aldrich law. He further censured the Californian for wanting protection for lemons and raisins in order that these fruits might be shipped to the Atlantic seaboard, thus adding the cost of transportation to the retail price. Simmons then drove strongly and with good evidence against those who howled for protection in order that they might pay American standard-of-living wages, and yet, he said, these "protectionists" employ foreign labor at sub-American wages. Proving his point by presenting letters, clippings, and tables, the Senator showed the unemployment situation as depicted by the opposition to be false. Thirty thousand men could obtain jobs at good wages in North Carolina "tomorrow", he said.[35]

The caucus system was a second target at which the Republicans shot. Simmons upheld it on the ground that the Democratic Administration had removed the causes which made the system odious to the people: special interest control or control by Wall Street, for example. The caucus was voted, he

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[34] Congressional Record, 63-2, pp. 4408-4417.

[35] Ibid., p. 4411.

said, before representative government was restored to the nation. "That was during the domination in this country of the trust and the monopoly and the special interest. Thank God that day was passed....The greatest achievement of Woodrow Wilson rests in the fact that...he has restored representative Government to this country." And in conclusion, Simmons ascribed the prosperity and good fortune of the past year to the caucus system entirely.[36]

The discussion was furthered by Senator Works when he took President Wilson to task for displacing five hundred employees who did not belong under the civil service. Simmons immediately took issue with the Senator by recalling the fact that President Taft, when he knew he would not be reelected, "made an order covering something like 40,000 fourth class post-masters, nine-tenths of whom were Republicans, under the civil service, without requiring them to stand any merit test, and with full knowledge that they were Republicans." This was done, he said, within a month of the election, when the sentiment of the country had crystallized on Wilson. Works, sensing his defeat on every hand, made one further attack at which he fared no better. This time he turned his indictment against the income tax, asserting that the decrease in government revenues was due to the tariff reductions and declaring

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[36] Congressional Record, 63-3, pp. 4408-4409.

the tax to be a break with traditional policy. Simmons ably retaliated by defending the legislation on the ground that it was based on ability to pay and was, therefore, a just tax. The reduction of duties, he said, was a relief to the masses, while the income tax was to make up for the deficit. "We abhor the Republican thought and idea that rates should be allowed to be so high as to exclude all possibility of importations."[37]

Into the midst of this political imbroglio the popular river and harbor appropriation issue came and served as a unifying force among the skew lines of Congress.

On June 15, 1914 Senator Simmons, as acting chairman of the Committee on Commerce,[38] reported back favorably with amendments the River and Harbor Appropriations bill for the construction, repair, and preservation of public works; and the bill went on the calendar.[39] In order to give time for

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[37] Congressional Record, 63-2, pp. 4406-4409.

[38] The River and Harbor bill was referred by the Committee on Commerce to a sub-committee, of which Simmons was chairman; but being absent from the sessions due to his duties on the Committee on Inter-oceanic Canals and illness, Senator Chamberlain of Oregon acted in Simmons's place. Congressional Record, 63-2, p. 11286.

[39] Congressional Record, 63-2, p. 10651.

the filing of minority views several days were allowed before calling the measure up for consideration.[40] Simmons, however, anxious to have the bill debated ere the fiscal year ended, exacted the assurance from Senator Newlands of Nevada that the Trade Commission bill would be laid aside for a few days until the River and Harbor bill could be enacted. This occurred on the 25th.[41] The following day, against the strenuous opposition of Senator Borah of Idaho, the measure was brought up and considered briefly before the Trade Commission bill superseded it as unfinished business. Simmons, however, was defeated in his next move. He asked for unanimous consent that the formal reading of the bill be dispensed with and that it be read for amendments only, but Borah's objection prevailed, and the reading occupied the Senate until the appointed hour of two when the Federal Trade Commission bill was resumed.[42]

The River and Harbor bill again appeared before the Senate for one hour on June 27. The decision was made after much objection and bickering on the part of Senators Borah and Bristow on the meaning of a rule which specified that no motion to take up a bill was in order until the morning business

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[40] Congressional Record, 63-2, p. 11172.

[41] Ibid., pp. 10585-11100.

[42] Ibid., p. 11173.

was finished or the hour of one had struck. The argument was an effort to determine whether "or" meant "or" or "nor", and one o'clock came during the wrangle. Again, upon the objection of Bristow to dispense with the reading, the bill continued to be read, and the morning hour expired in the process.[43]

With the advent of a new week on the 29th, Simmons renewed his efforts to get the bill before the Senate with even more discouraging results than before. At the close of the morning business Simmons asked unanimous consent for the consideration of the River and Harbor bill, but was denied the request upon the objections of Senators Smoot and Bristow. The former contended that no motion to proceed with the consideration of a bill was in order until after one o'clock. Simmons's argument rested upon his belief "that the motion may be made before one o'clock, provided the morning business has been concluded; it may be made after one o'clock, whether the morning business has been concluded or not." Thereupon the Senator requested a ruling on the point of order, i.e. that Simmons's bill could not come up by motion until one o'clock; and a vote decided "the point of order to be not well taken."[44]

By this time the "tricks" of the opposition entered

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[43] Congressional Record, 63-2, p. 11284.

[44] Ibid., pp. 11287-11292.

well-nigh exhausted, although on July 3 an interesting postponement occurred. Upon the motion of Simmons, agreement was concluded by the body for the consideration of the bill. A vote was asked for, and a Senate quorum answered present; but a quorum did not vote![45] Thus the consideration of the measure was defeated. Just after the quorum roll call, it seems, Senator Pomerene of Ohio and Senator Hollis of New Hampshire retired from the Chamber, leaving less than a quorum present. After the vote was taken, the roll was called again, but a quorum failed to answer to their names. Immediately, however, the absent Senators returned, whereupon the Senate proceeded to the consideration of the pensions bill.

When the River and Harbor bill at last gained a secure place on the Senate calendar, two obstacles appeared to obstruct its smooth progress during the mid-summer of 1914. The first was the Trade Commission bill which Simmons was accused of trying to supplant.[46] Simmons averred that it was not being engineered properly by Senator Newlands--that it was occupying too much of the Senate's time. Issuing an ultimatum on July 17 Simmons declared that if the bill were not sufficiently pressed in order to keep it exclusively before the Senate

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[45] Congressional Record, 63-2, p. 11534.

[46] Ibid., p. 11585.

until action was had upon it, he would take the liberty to ask that the River and Harbor bill replace it. Simmons continued his attack by informing the Senate that one-half of the projects already begun on certain rivers and harbors would have to be suspended unless action were taken immediately upon the pending measure. "If we are to continue river and harbor work in this country, we have got to appropriate the money with which to do it," he concluded. [47]

These remarks of the Senator, however, only served to instigate and further the second obstacle which took the form of a filibuster motivated by the economic conditions of the industrial world. Senator Gallinger lamented that American industry was going on the rocks for want of protection, to which Simmons replied by reading a telegram from W. G. McAdoo, secretary of the treasury, congratulating the North Carolinian for the "result of the operations of the new tariff...." The message further indicated a treasury surplus of $33,774,452.07. In the furtherance of his argument Simmons averred that if a single one of the three hundred cotton mills in North Carolina "is not running at full time, it has not been brought to my attention" and concluded:

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[47] Congressional Record, 63-2, p. 13865.

It is a fact admitted by economic writers and students who have investigated the question...that as a matter of fact, there has been less disturbance, less depression in business in this country during the last 12 months than in almost any other great industrial country in the world.

Simmons thus maintained that tariff reduction had let down the bars to imports for the purpose of lowering "trust" prices. It was in response to the popular outcry against the high cost of living that the duties were lowered that he said:

For months after this act went into operation, we were twitted by the Senators on the other side of the Chamber with the suggestion that we had not carried out our promise to reduce the high cost of living, to reduce the level of prices in this country through the tariff. Now, when imports begin to come in a little bit more freely, when we are approaching a condition when the reduction of the tariff will force down these prices, these same Senators rise in their seats and charge that this tariff law we have passed is flooding the country with cheap foreign products; that the industries of the country are about to be submerged under the weight of these cheap foreign importations. For one I hope these importations will grow...until the combinations controlling the prices of food products...and stubbornly refusing to yield to the just demand for fairer prices and lower cost of living, make up their minds to reduce the prices to the bases of fair and reasonable profits. If this tariff does not succeed in making them make that reduction, it will not accomplish its purpose. When they have made that reduction, when they have reduced prices to reasonable levels, then if there is cause for any excessive importations, they will cease.

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[48] Congressional Record, 63-2, pp. 11531-11533.

[49] Ibid., p. 11533.

Simmons later refuted the frequent intimations that there had been "some disposition on this side of the Chamber to abandon and delay the trade commission and anti-trust legislation," and showed conclusively that the River and Harbor bill had been offered only when Newlands had failed to press the Trade Commission bill.[50]

Meanwhile, the line of Republican attack had veered from the tariff issue and had become centered once more on the river and harbor issue. Senator Gallinger boldly suggested striking out the small items and appropriating only for the large rivers, but Simmons did not bite at the line. The North Carolinian staunchly maintained that it had long been the "wise" policy of Congress "to improve a great many very small streams throughout the country...in order to facilitate transportation," and that it was not in his authority to strike out any items without the consent of the Senate. Senator Gallinger, thereupon, charged fraud in the harbor bill by quoting the Chief Engineer as saying 5% of the items in the bill, costing about a half a million dollars, were fraudulent. Simmons replied that he had seen no such statement, and averred he could not "conceive of a government official making such a declaration as that....There is not a fraudulent item in the bill," he concluded. Senator Bank-

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[50] Congressional Record, 6x-2, pp. 11866-11870.

head of Alabama made a contribution to the debate by ratifying the statement made by the Chief of Engineers, who, Bankhead maintained, was merely answering a criticism of the bill as a "pork-barrel". "Fraudulent", he said, was not mentioned. Gallinger needed only the suggestion of pork-barrel legislation in order to forget fraudulent items, for he immediately leaped at the phrase, and cited an item in the bill for a North Carolina work in which there was "not enough water to wash a new-born babe." When Simmons asked for the definite citation of the case, however, Gallinger was to back up a bit by saying he would mean the item "when they came to it"; and thus the argument continued to no avowed purpose whatever.[51]

The Simmons-Gallinger debate tapered off at the close of the session on July 2 with an interesting eulogy engaged in by two colleagues of the sub-committee. The method adopted seemed to be that Simmons should ask the questions, and Senator Smith of Michigan should reply by telling of the project on Grand River, Michigan, showing that the narrow policy of the Government had resulted in a useless six-foot channel from Grand River to Lake Michigan. Being asked if he had known of any river and harbor bill heretofore which had received more conscientious attention and thorough in-

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[51] Congressional Record, 63-2, pp. 12365-12366.

vestigation than the present one, Senator Smith, of course, answered negatively; whereupon Simmons and Smith joined together in praising themselves for their scrupulous impartiality and clear judgment in the framing of the bill.[52]

It was Senator Burton of Ohio, a staunch member of the opposition, who "rudely" interrupted this self-inflicted eulogy by charging that no one individual was responsible for the items contained in the bill. We should, he said, "select improper items and reject them." Simmons answered him by pointing to the district and division engineers, the Board of Engineers, and the Chief Engineer before whom every item must go before it was considered by the Senate. What more could one want, Simmons queried, than these four agencies through which every proposal must pass? Upon being asked what reforms he would suggest, Burton evaded a direct answer, insisting upon delay until he could ascertain just what the "disposition" of the Senate would be toward reform. Thereupon Simmons brought the discussion from the category of generalities into one of particularities by asking Burton if he would advocate the appointment of a second board to review the work of the Board of Engineers. The Senator from Ohio, while answering negatively, advised close scrutiny into all arguments both pro and con and expressed his opposi-

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[52] Congressional Record, 65-2, p. 12865.

tion with regard to Senators and Representatives appearing before the Board of Engineers, implying that the members of the Board might be influenced. Simmons then called Burton's attention to the appearance of experts and members of the concerned community before the Board for the purpose of examination and asked the Senator if he considered this an enlightening process. Burton's reply indicated that he did not like the idea of taking too strongly the opinions of an investigator who was been "wined and dined by the populace of an aspiring city," and called attention to the fact that no civic clubs would urge economy in Federal appropriations.[51]

Burton seems to have felt that the "atmosphere" in which one is placed tends to warp one's sense of proper judgment at the expense of the taxpayer when a river and harbor appropriations bill is under consideration. Simmons, however, attempted to demolish the argument by calling attention to the fact that all witnesses must come before the Board in its rooms in Washington, thus making it impossible to "wine and dine" the engineers. The North Carolinian further pointed that the number of projects rejected was usually greater than the number of those accepted, and here the debate rested until Simmons drew a deep breath for his continued attack. Pointing out that the members of this Board held their of-

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[51] Congressional Record, 63-2, pp. 11659-11660.

fices for life, Simmons maintained his approval for the appearing of Congressmen before it because, since the Board did not depend upon a politician's favor for office, it would administer its duties in an impartial manner. Speaking of the Board and its administration, Simmons said: "...I have never considered a project and the testimony presented in its behalf otherwise than as an impartial tribunal looking to the public welfare."[54]

At the close of the session Simmons joined battle over the two obstacles confronting the bill in a long speech in which he attacked the coterie which was engaged in the filibuster. "This is the first time," he said, "since I have been here that I have seen on the other side of the Chamber or on this side of the Chamber what might be characterized as a positive, unqualified filibuster against a bill." He further defended himself as having sought the consideration of the River and Harbor bill at the expense of the Trade Commission bill, which was considered by many a more important bill, when he said: "I think Mr. Newlands indicated that by Monday he would be ready to put his bill before the Senate and hold it before the Senate until there is action upon it. Whenever he indicates his purpose to do that I shall at once withdraw...further consideration of the

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[54] Congressional Record, 63-2, pp. 11861-11862.

river and harbor bill until that matter is disposed of."[55]

On July 23 Senator Burton attempted a justification for his stand on the bill and berated the Simmons charge of filibuster. He took up the consideration of every harbor mentioned in the measure, giving a history of the Government work there, and criticized certain appropriations. Burton based his principal complaint on the governmental policy of dredging the streams up to municipal as well as private wharves. This, he said, will benefit municipal and private interests at the expense of the Government. Simmons did little talking during Burton's speech; he confined himself to the asking of a few questions in order to ascertain certain of the Senator's views. Burton, however, resented Simmons's interest. "I do not see," he said, "that I should be criticised or questioned for endeavoring to call attention to the items that are worthy of approval and selecting them from the many errors which abound in this vitiated bill." And with this remark Simmons concerned himself only with the correction of exaggerated amounts spent on rivers and harbors as stated by the Senator from Ohio.[56]

The river and harbor issue, dropped on July 23, was not resumed in the Senate until September 3. Meanwhile, a

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[55] Congressional Record, 63-3, p. 11666.

[56] Ibid., p. 12460.

European conflagration had broken out, the effect of which was used advantageously by the members of the opposition. The proposition came before the Senate to substitute another tax for the replacement of the $100,000,000 loss in tariff revenues due to the war, and it was violently opposed. Senator Burton charged that additional taxes were being imposed in order to pay the river and harbor appropriations; that the United States was in a "pinch of depression"; and that with the "necessity for economy in private affairs we should bear in mind the necessity for economy in the control of public expenditures." Taxation, he said, must be raised because of the decrease in duties on imports; but he refused to agree "with the reason given as to why Congress must levy additional taxes, namely, that it is necessary to provide funds for the river and harbor appropriations on a larger scale...than ever before....It is the climax of waste and injudicious expenditure." Denying the statement that there was necessity for raising more revenue for the river and harbor bill, Simmons held that the items in the bill had been estimated for by the department, just as the items in the legislative, executive, and judicial appropriation bill. Simmons further maintained that the unforeseen condition that has been thrust upon the country accounted for the insufficient funds for river and harbor appropriations. "We are not proposing," he said, "to levy additional taxes....

that is proposed is to substitute a tax which will yield revenue in present conditions for a tax which would have yielded the same revenue in normal conditions."[57] Pointing out the great opportunity offered to American manufacturers and farmers in supplying European and South American markets without competition and at high prices, he said: "This country is not so poor, this country is not so enfeebled by the war in Europe, that it can not afford to pay the reasonable expenses of every work required for the public welfare."[58]

The discussion on the revenue deficiency was furthered by Senator McCumber of North Dakota who maintained that since the American people did not pay the estimated $100,000,000 in duties, then they must have paid that much less for commodities. Simmons fell in line with this argument but enlarged it by saying that prices were not determined by tariffs alone. This opened a line for attack on the trust situation in the United States and further exposed Simmons's intense opposition to monopolies, an opposition which has been discussed elsewhere. "Until we do succeed in destroying trusts," he said, "we will have artificial prices, and of course the trust, like many others engaged in industry, will take advantage of the abnormal situation that has been created

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[57] Congressional Record, 63-2, p. 14639.

[58] Ibid., p. 15473.

by the war to maintain and probably advance the prices of many products that might have been reduced under the operations of this new tariff." In conclusion Simmons re-stated his position that the tariff would not bring in what was anticipated from it.[59]

In the following contest with Senator Gallinger, Simmons refused to discuss the tariff because, he said, it is a mere matter of speculation as to what the subject of the tax will be, "since the bill must originate in the House."[60] Thereupon Senator Burton centered the debate upon the bill itself by maintaining that if the Board of Engineers were asked by Congress to re-examine a rejected project, this would be an indication that the Congress favored the proposition. Simmons met this declaration by saying he knew of only one single instance in which such a thing occurred. This was a small project in South Carolina involving the expenditure of about $10,000 which the Board had rejected. Senator Tillman of South Carolina brought convincing evidence that the amount was necessary, and the committee resolved to ask for a re-examination of the project, which was had, resulting in the rejection of "the suggestion of the Senior Senator from South Carolina". Burton, however, knew of other instances

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[59] Congressional Record, 64-2, p. 14640.

[60] Ibid.

and cited several to Simmons. Simmons retorted that he was not chairman of the River and Harbor Committee at the time indicated by the Senator's citations; but Barton was not to be outdone. He called attention to the reconsideration of a project involving $4,500,000 which looked forward to the pending bill so successfully that it was included in it, although the Board of Engineers had condemned the project only eighteen months before. Not to be outdone, Simmons turned the debate into a struggle of mere statistics by making what proportion of the items examined were reported favorably and what percentage were reported unfavorably, a question on which there was considerable discussion and disagreement.[61]

The Albemarle and Chesapeake canal was part of a proposed inland waterway system from Boston southward. When completed a twelve-foot direct route would be provided from Norfolk, Virginia to Beaufort, North Carolina, saving 190 miles on the ocean route, a link which would complete the chain from Boston to Jacksonville, Florida. It was Senator Barton who gave vent to his emotions in a vigorous attack on this inland waterway system by maintaining that the Albemarle and Chesapeake canal already had ten feet of depth, and the timber freight which it carried had been cut until

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[61] Congressional Record, 60-1, p. 4462.

it served a comparatively small number of people. Traffic, he argued, would not use it to avoid the Hatteras because no shipmaster would have his boat hauled by a tug for 186 miles through a shallow canal when there was an ocean before him. Simmons retaliated with the protest that the present depth was only eight feet, stating further that the extent of the North Carolina sound system embraced 3,000 square miles of water-covered territory. Both canals, he said, were privately owned until recently, and charged tolls which netted an income of $100,000 annually. The small tonnage of the Albemarle and Chesapeake canal, he averred, was due to the diversion of the traffic to the privately owned canal during the period of governmental improvement. When the Government completes the project, he continued, the other canal will necessarily close up, and "the whole business upon the borders of that immense body of water...will be diverted into the Government canal, so that the traffic going through it will be enormous." A large part of it is a character of traffic that would naturally seek water transportation, provided the terms were terms of freedom instead of toll and tribute," he concluded.[63]

Thus were the causes of the declining traffic on the inland waterway system argued between the two debaters.

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[63] Congressional Record, 68-2, pp. 14550-14556.

Simmons had the blame on the railroads which had bought the steamship line from Newbern to Elizabeth City, and advocated a conformity in the depth of the proposed canal with the depth of the sound in order to promote a line of steamers in competition with the railroads. Burton countered Simmons's argument by saying that the "great tendencies in transportation are more marked and controlling than the little trivial fact that occasionally a boat is bought off...", and that if the traffic was shifted to the railroads, it was because that was the more convenient and economical way of carrying the freight.[63]

The Simmons-Burton debate finally veered off on a project upon which the debaters found more common ground for their arguments. Burton, it seems, did not oppose the harbor of refuge at Cape Lookout, but he did oppose its location. He substantiated his argument by quoting General Kingman, chief of the Engineers, who condemned the locality as being unsuitable. Simmons, however, put a speedy end to this conflict of words by saying that Kingman made that statement "without knowing anything about it," and gained a Congressional majority by outlining the storm of favor for the project which existed along the Atlantic coast.[64]

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[63] Congressional Record, 63-2, pp. 14650-14652.

[64] Ibid., p. 14655.

At the close of the session of September 3 Senator Smith of Michigan manifested his interest in expediting the River and Harbor bill. He proposed that the undisputed items should be passed by unanimous consent while those items which were opposed should be considered; but Simmons wanted to maintain the regular order and so expressed himself. Believing that there would be not more than five speeches, "including Burton's", Simmons proposed that the bill be taken up item by item, permitting an item to go over upon the request of a senator when there was a difference of opinion. A vote supported Simmons's argument, upon which the triumphant Senator contently commented: "I think that is the proper course."[65]

During the following two weeks Simmons had little to say with regard to the legislation. On September 4 he requested that the River and Harbor bill be laid aside temporarily in order that the Senator from Oklahoma, who was leaving Washington, might amend the Federal Reserve act. Upon the objection of Senator Burton, Simmons pressed the matter saying this amendment would "afford the greatest possible relief to one-third of the states of this Union." But Burton was unmoved, and the river and harbor debate was continued.[66]

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[65] Congressional Record, 63-2, p. 14653.

[66] Ibid., p. 14708.

During the remainder of the fortnight Simmons contented himself with the asking of a few questions "for information",[67] and no progress on the bill was made.

On September 15, however, the Senator from North Carolina showed great interest in the Chesapeake and Delaware canal which was in a bad state of repair. He pointed out that the project was earning six per cent on its investment and advocated that the Government should purchase it either by negotiation or condemnation. Simmons therefore proposed that the cost of purchasing the canal should be ascertained so as to allow a Congressional appropriation to cover the cost. But Senator Kenyon of Iowa held that Congress had nothing to say in the matter; that it rested in the hands of the secretary of War who drew up the contract when the price was set. Simmons disagreed, however, saying the amendment was only for the secretary of War to find out what the canal could be bought for; that he should get an option; and then Congress should appropriate for the payment when the figure was determined.[68]

The next point of heated argument on the part of the opposition related to the inability of the country to pay

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[67] Congressional Record, 63-2, pp. 14708-15138.

[68] Ibid., pp. 15142-15143.

the excessive expenditures incorporated in the River and Harbor bill. Senator Kenyon severely criticised the Democratic régime for the large amounts included in its legislation. Simmons answered the criticism by pointing to the period from 1906 to 1910 when the Republicans increased the governmental expenses $230,000,000, while the Democrats, during the following quadrennium, had an increase of only $70,000,000. Simmons blamed this slight increase, "if increase there be," on those "who come up here demanding a liberal construction of the Constitution, demanding that the Government shall enter new fields of work never before undertaken, and calling for large expenditures...." He further countered to Kenyon's criticism by referring to the increased number of governmental employees as a result of the Government entering these new fields of activity, and yet, at the same time, relieving the tax burden of the people. For witness Simmons cited the income tax which called for an increase in the department force by 150 men.[80]

Thus the situation stood when Senator Bankhead made a motion to recommit the bill to the Committee on Commerce "with instructions to report a substitute therefor appropriating an amount not in excess of $30,000,000...." Stating his position the Senator from Alabama said:

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[80] Congressional Record, 63-2, p. 15437.

> I believe $50,000,000 should be appropriated in a lump sum with authority and direction to the Secretary of War to appropriate that sum, under the advice of the Chief of Engineers, to such projects as are now authorized by law and are in the course of construction. After a very thorough investigation, I am satisfied that the sum I have named is entirely ample to carry on all projects in the United States that are in the course of construction and that have been authorized by Congress....I do not mean to say that there are improper appropriations in this bill.... All I mean...is that there is much more in it than the present needs of river and harbor improvement require.[70]

Simmons deplored the stand taken by Mr. Bankhead and entered upon a strong speech against the decreased appropriation as well as "government by commission". With respect to the former proposal made by the Alabamian, Simmons retaliated with a vigorous defense of the original $35,000,000 appropriation agreeing

> that possibly by pursuing a niggardly policy, by doling out this money in little bits, just enough to keep the work going, just enough to prevent a disorganization of the force that is now employed upon these works, possibly they might get along with $20,000,000; but the said I am entirely satisfied that $20,000,000 is not sufficient to carry on the work in the way in which it ought to be carried on; in the way in which it can be most economically carried on; in the way in which the people have a right to expect that it shall be carried on.

Government by commission, Simmons averred, will cause Congress, in this particular case, "to lose control of this appropria-

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[70] Congressional Record, 63-2, pp. 15467-15468.

tion bill" to the advantage of an executive board, and added, "I do not think the Congress of the United States desires to do that."[71]

Meanwhile, Senator Burton, a member of the Commerce Committee, had offered a substitute to the Committee substitute. It reduced the appropriations $18,500,000 in accord with his policy of cutting the appropriations to the bone. Simmons was thus thrown in a rather precarious position. Opposing the Bankhead motion pointblank, the Senator seems to have taken a shrewd and safe refuge in the Burton substitute which advocated an appropriation of $31,000,000. Concerning it he said: "If that measure shall pass, it will be no reflection upon anybody, it will be the expression of the opinion of the Senate in favor of that reduction." But concerning the Bankhead motion Simmons declared that its passage would "signify that Congress has lost confidence in its committees and itself, and that neither can be intrusted to appropriate wisely and fairly for the needs of our rivers and harbors, and for that reason must have recourse to an executive branch of the Government."[72] The shrewd Senator, however, lost the battle by a narrow margin of five votes, and the bill was recommitted

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[71] Congressional Record, 63-2, pp. 15471-15473.

[72] Ibid., p. 15473.

to the Committee on Commerce with instructions.[73]

On September 23 Senator Simmons reported the bill back from the Committee providing for an appropriation of $40,000,000 to be expended under the direction of the secretary of War and the supervision of the Chief of Engineers. Immediately upon the reading of the bill Senator Sterling of South Dakota offered an amendment providing for a special appropriation in his own State. Senators Burton and Simmons, however, joined hands this time in opposing the amendment, the latter bespeaking the sentiments of the two when he said:

> I trust...the amendment will not be adopted, not because I am opposed to it per se, but because I think it will open the door here to longer discussion; and probably we might in the end find that we had made a bill different from that contemplated by the action of the Senate on yesterday.[74]

The amendment was not adopted!

Immediately following the third reading of the bill, Simmons set forth in a lengthy speech his reasons why the Government should pursue a more liberal and broader policy with reference to the improvement of the waterway system. Declaring that "there is nothing of more vital importance in connection with our industrial situation and our future progress

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[73] Congressional Record, 63-2, p. 15475.

[74] Ibid., p. 15500.

and prosperity than the improvement and development of our magnificent system of inland waterways and the adoption of a national policy which will lead to their utilization," the Senator drove into the underlying cause of the dribbling policy adopted by Congress.

> Nobody is more responsible for this policy than the gentleman from Ohio, [Burton], who, during the 11 years that he was chairman of the Rivers and Harbors Committee of the House and, as everybody knows, was the dominant influence upon that committee, adopted a policy by which there was appropriated for this great work...the pitiable sum of $21,000,000 a year, and who has, ever since he ceased to be chairman of that committee, opposed the annual bill system under which we in recent years appropriated on an average probably double that amount.[75]

With these remarks the opposition mounted high against Simmons, and for his defense he pointed to the decrease in water transportation as opposed to the development of the railroad system. At the outset Simmons declared he was not an enemy of the railroads, stating that "the chief reason why our water commerce has not developed alongside of our rail commerce has been the ability of the railroads to stifle competition through methods and devices so familiar to the public that it is not necessary...to recite them."[76] The Senator, furthermore, gave two other reasons for the decline in river-

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[75] Congressional Record, 63-3, p. 15522.

[76] Ibid., p. 15523.

borne commerce:

> First, because we have not put our rivers in suitable condition by properly improving their channels and by requiring the railroads with which they connect to provide physical connection with them and to accord them the use of their terminal and dock facilities. Secondly, because under the law as interpreted the railroads have been given a free hand to destroy water commerce and they have not failed to take advantage of the opportunity thus afforded.[77]

Simmons did not believe that the war had so enfeebled the people that the Government must discontinue the "great necessary works that have been undertaken with the approval of the people."[78] Neither did he agree that the measure was an unpopular one; he did, however, point an accusing finger at the lobbyist effort on the part of the railroads which, having been expelled from the capitol, continued its work through the press.[79] Furthermore, Simmons indicted the falsity of the statement that the bill was a "pork-barrel" measure. Senator Kenyon censured Simmons for giving up "only one creek" in North Carolina![80] In his defense the Senator said:

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[77] Congressional Record, 63-2, p. 15553.

[78] Ibid., p. 15530.

[79] Ibid., p. 15473.

[80] Ibid., p. 15532.

> If it is a "pork-barrel" measure, every harbor bill we have passed in the last 35 years is a "pork-barrel" measure. Items are not put in this bill at the request of Senators or Representatives. They are put in there because they are recommended as worthy of Government improvement by the engineers who the law directs shall make thorough investigation and report to Congress. It is an unpopular bill with certain interests in this country, but it is not an unpopular measure with the people. The people of this country believe in the improvement of our waterways....This Government is not spending a dollar to-day for any purpose which meets with heartier approval on the part of the masses. It is engaged in no work which the people are more ready to applaud than that of river and harbor improvement.

And in conclusion Simmons said:

> Mr. President, I want to see a more liberal policy pursued by the Government toward these waterways. I want to see them brought to a high standard of usefulness as a vehicle of transportation; and I want Congress to pass such legislation as will make it impossible hereafter for the railroads of this country, either by cunning methods and practices or by an evasion of the law, to take away from the people the benefits which God has so bountifully bestowed upon them the most superb system of waterways upon the earth.[81]

Thereupon the bill was passed,[82] on the same day that Simmons had reported it back from the committee.

Just what forces operated in the Senate, both pro and con, with respect to the original river and harbor appropriation would be a matter of extensive research in itself. The

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[81] Congressional Record, 63-2, p. 15527.

[82] Ibid., p. 15528.

fundamental causes of the decrease--a decrease which, incidentally, amounted to a four-sevenths reduction--have been suggested in the foregoing paragraphs. Suffice it to say therefore, in conclusion, that the Senator from North Carolina was far from being satisfied with its provisions. In fact Simmons later maintained that the original $53,000,000 appropriation would have passed had it ever come to a vote, for its defeat was actually acknowledged by the opposition as being due to the Republican filibuster.[83] Tantamount to this statement of his dissatisfaction was Simmons's reply to a question asked by Senator Smoot some weeks after the passage of the bill. During the discussion of the Emergency Revenue legislation Smoot had the courage to interrogate Simmons concerning his criticism of the reduction in the River and Harbor bill by the Senate. Simmons replied that he had not criticised the Senate "but the dribbling policy for which the Senator from Ohio has always stood with reference to river and harbor improvements. I was not in favor of the $50,000,000 proposition and I voted against it...", he said.[84] The Senator from North Carolina could never forget the "dribbling" policy of the Senator from Ohio!

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[83] Congressional Record, 64th Congress, 1st Session, (cited hereafter as Congressional Record, 64-1), p. 1511.

[84] Congressional Record, 65-1, p. 18643.

During the World War period when the blare of trumpets was awakening the nation to a cosmopolitan democracy, even the sentiment of internationalism was not strong enough to capture the entire attention of Senator Simmons. Engrossed as he was with war finance and problems of our foreign relations, nevertheless when the River and Harbor bill of 1918 was presented to the Senate on May 6,[85] emotions of localism bestirred the North Carolinian in the old and familiar way. Well did he recall the fervor of the Burton opposition in 1914, and eagerly did he grasp an opportunity to use that Senator's influence in his own behalf in this crisis. Having acquired the assent of the Republican ranks that this bill and the distinction of being the only river and harbor bill proper which had been passed since the Democrats were in power,[86] Simmons maintained that the bill carried on only those projects approved by the Republicans before the Democratic régime.[87] In furthering his support of the bill Simmons pointed out that 210 of the 280 provisions in the present bill were carried in the bill of 1907, a bill which "ex-Senator Burton of Ohio had frequently

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[85] Congressional Record, 64-1, p. 7447.

[86] Ibid., p. 7447.

[87] Ibid., p. 7448.

declared was the most perfect river and harbor bill ever enacted."[88]

Simmons's few comments on this bill were directed toward a justification of the appropriations, this being the only river and harbor measure not involving the lump-sum policy,[89] and on this point it might be remarked that the absence of the Senator from Ohio was agreeably sustained! Simmons participated in the debates on one amendment only. Perhaps the Senator would have been silent altogether had the project not involved his own State. It was the Kenyon proposal providing for a decrease in the appropriation for the ten-foot waterway from Norfolk to Beaufort that proved to be the magnet drawing the active and vigorous influence of the North Carolinian, and it was wholly due, in all probability, to his opposition, which developed long and intricate debating, that the amendment was rejected.[90] With the passage of the bill after three weeks of discussion by the narrow vote of 35 to 32, river and harbor issues lay dormant for the remainder of the international crisis.[91]

It is for one purpose alone that the writer crosses the

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[88] Congressional Record, 64-1, p. 8756.

[89] Ibid., p. 7641.

[90] Ibid., pp. 8835-8838.

[91] Ibid., p. 8852.

chase of the conflagration and directs the attention of the reader to the year 1930 when the Senate again considered a river and harbor bill. That purpose merely lies in the point of further revealing the consistency with which Senator Simmons persisted in his efforts toward the improvement of internal waterways--a principle deeply imbedded in his political system.

Certain features and fundamentals of the bill of 1930 closely paralleled those of 1914.[92] It will be recalled that in 1914 a request on the part of the Senate for a reconsideration by the committee with respect to a project was regarded by the opposition as a signal for a favorable report. Likewise, in this third bill, Senator Smoot promoted a similar protest against the engineers who made the surveys; that is, if Congress ordered a survey the engineers would feel that a favorable report was desired. Simmons, however, maintained, as before, that the opposite was true, for he said: "So far as my knowledge goes--and I have been a member of the Committee on Commerce a long time--I think a very large per cent of such projects have been reported upon unfavorably and a very small percentage have been reported upon favorably."[93] A second parallel of this bill manifested the North Carolinian's inter-

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[92] See p. 78.

[93] Congressional Record, 66th Congress, 1st Session, (cited hereafter as Congressional Record, 66-1), p. 4865.

est in his native State through the offering and support of cer-
tain amendments[94] which suggested his local aptitudes in
national affairs.

The outstanding consistency, however, with which Simmons maintained his policy lay in his aversion to the "niggardly" provisions of the House bill for river and harbor maintenance and improvement--an aversion which forms a third parallel with the bill of 1914. Simmons denied that the bill was a "pork-barrel" measure, and accounted for the House cut by declaring that it was "partisan economy pretense": that the House committee at the dictation of a political steering committee, to make a show of economy for campaign purposes, cut the estimates. On the other hand, the Commerce Committee was known as untainted with partisan politics though it had increased the House bill by $5,000,000.[95] Simmons lamented that the bill had been made the victim of "manufacturers' prejudice and the exigencies of a political campaign", and protested again and again against

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[94] Simmons offered the following amendment which was agreed to: Trent River from New Bern to Trenton, North Carolina, with a view to a channel depth of 12 feet to Pollocksville and 8 feet to Trenton. Congressional Record, 66-2, p. 5770. This amendment was later slightly changed in wording but not in contents. Ibid., p. 6074.

[95] Congressional Record, 66-2, p. 6107.

the injection of politics into purely business legislation.[96]

Having thus glanced at the consistency with which Simmons supported internal waterway improvements by pointing to certain parallels in the bills of 1914 and 1930, and especially explaining his ardent advocacy of a lump-sum appropriation, it now devolves upon us to ascertain the line of cleavage between the two measures. Underlying Simmons's policy with respect to the appropriations of 1930 were certain theories in contradistinction to those of 1914. Simmons's dissatisfaction as to the amount specified in both bills was identical in each, but in 1930 his criticism was not based so much on the amount provided in the legislation as in the "dissent from the policy that obtained in the making of the bill." According to Simmons the dominating feature of that policy was the absence of new schemes and the abandonment of those which did not warrant immediate completion.[97] At the time of the introduction of the bill Simmons had characterized the lump-sum policy as being "very short-sighted". The bill was presented to the Senate with an admonition from the House against any increase in the appropriation, and Simmons felt, it seems, that although the appropriation was "flagrantly inadequate", it was better than none. "I think," he later said, "we will be justified, in

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96 Congressional Record, 69-2, p. 6107.

97 Ibid.

the circumstances, in conforming to the conditions the other House has imposed upon us in order to get enough money for this purpose [maintenance of river and harbor works, though nothing...can be had for further improvement and construction."[97]

It was on this foundation alone that Simmons found a basis of justification for his favorable vote on the "pigg[illegible]-iy" and "[illegible] pring" policy of Congress with regard to river and harbor appropriations. Though he had anticipated a vote on an increased appropriation[98] the Senator was disappointed, for the bill passed,[100] and left the Senator a victim of "manufacturers' prejudice and the exigencies of a political campaign."[101]

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[97] Congressional Record, 60th Congress, 1st Session, (cited hereafter as Congressional Record, 60-1), p. 3843.

[98] Ibid., p. 6109.

[100] Ibid., p. 8967.

[101] Congressional Record, 60-1, p. 6109.

CHAPTER III

WAR FINANCE

Conditions confronting the United States in 1914 were abnormal. The state of armed conflict prevailing over Europe resulted in a paralysation of business, industry, and finance--a situation necessitating tremendous loss in revenues to the United States owing to a marked decrease of importations. A crisis was inevitable. In normal circumstances the income of the Government under the Underwood-Simons Tariff bill would have been amply sufficient to meet the needs of the Government, leaving a surplus, in fact, of $36,000,000; but the war situation of twelve months later necessitated an increase over the internal revenues provided for in this Act of October 3, 1913.[1] The actual facts with respect to our losses since the devastation of war in Europe readily reveal the necessity for further

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[1] Congressional Record, 63-2, p. 15414.

legislation. According to statistics given by the Finance Committee on October 10, 1914 for the fiscal year 1914-1915, there was a total decrease of imports amounting to $3,000,000 for July, August, and September in excess of the total falling off under normal conditions during the full fiscal year of 1913-1914.[2]

The Revenue Bill of 1914

In an effort to meet the gravity of the situation precipitated by the above conservative estimate, Senator Simmons conferred with Secretary McAdoo and Representative Underwood,[3] and by October 8, 1914 the first step was taken to alleviate the Nation's financial distress: a tremendous tax imposition was proposed by the chairman of the Finance Committee was submitted at the same time an amendment relating to the tax on the manufacture of cigarettes which had been omitted inadvertently.[4] Presenting figures showing that the falling off of revenues would jeopardise the position of the Treasury by a failure to provide revenue to offset the daily loss resulting

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[2] Congressional Record, 63-2, p. 16414.

[3] New York Times, August 14, 1914.

[4] Congressional Record, 63-2, p. 16308.

from decreased imports, the Senator declared argument to be unnecessary.[5] Moreover, Simmons anticipated partisan controversy as to the objects selected for taxation in the bill by presenting a concise analogy between the pending bill and the act of 1898 framed during the Spanish-American war and the heyday of Mr. Dingley, chairman of the Ways and Means Committee. Stating that the additional revenue realized from the Spanish War tax act was $105,374,337 while the amount anticipated for the bill under consideration was $107,001,400, the Senator drew the following conclusions:

> First. That with two exceptions twines and rectified spirits; everything in this bill upon which a tax is imposed was embraced in the act of 1898.
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> Second. That the rates imposed in this bill are not higher, but lower, than those in the act of 1898.
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> Third. That the objects of taxation in both the act of 1898 and in the pending bill are objects upon which similar taxes were imposed during and subsequent to the Civil War.
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> Fourth. That the objects of taxation embraced in the act of 1898 were selected by the Ways and Means Committee, of which Mr. Dingley, the author of the bill, was chairman, because they would be collected in the main with the regular force of the Internal Revenue Bureau, and with but slight increase in ex-

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[5] Congressional Record, 63-2, p. 10415.

> penses, and because they were taxes either upon articles of voluntary consumption or upon objects where the tax would be paid by those who were ordinarily able to pay them.[6]

Lest the responsibility of an empty Treasury should fall upon them should the bill fail, the Republican party, Simmons was confident, had no desire or hope to defeat it.[7] Yet, hardly had the Senator finished his magnificent speech of presentation when the hordes of opposition descended upon him. At the outset Senator Smith of Michigan attacked the title of the bill raking the Democrats over the coals for attempting the enactment of legislation termed "war revenue" when the United States was not engaged in war, and concluded, according to Simmons's anticipation, with a brightly colored eulogy on the quick and instant recovery from war conditions under the Dingley tariff.

> We could have paid the said the expenses of the Spanish war out of the current expenses of the Government under the law....You can not pay the ordinary expenses of the Government out of the ordinary revenues of the Government because of miscalculation. That is what has brought you to this extremity. That is why you are so solemn.... Now, you may be able to convince the country that this is a war revenue bill, but if you had the frankness which you always had while we were in power you would acknowledge it as a deficiency bill, due

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[6] Congressional Record, 63-2, p. 16412.

[7] New York Times, October 11, 1914.

to your mismanagement.[8]

The charge of Democratic solvency was indeed a false one. Senator Simmons rendered an instant acquittal for his party by pointing to the Republican deficit of $60,000,000 in 1858 in comparison with the Democratic surplus of $34,000,000 in the fiscal year of 1913-1914, the greater part of which was applied to the Panama canal, thus avoiding a bond issue.[9]

Senator Bristow of Kansas interrupted the Simmons-Smith debate to interpose some extraneous suggestions with regard to the natural decrease in importations and consequently in Government revenue. His remarks were perhaps germane to Simmons's speech of October 10 which predicted that the accumulated surplus of European goods would soon be disposed of.

> When the surplus stock of merchandise for export which they [Europe] happened to have on hand when the war began has been sold their exports will cease. They may send their stocks and bonds and their gold here to buy food and munitions of war, but the products of their fields and their factories will be nearly at zero.[10]

In the light of this former declaration Simmons silenced both Bristow and Smith by indicating that approximately 15,000,000

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[8] Congressional Record, 63-2, p. 16462.

[9] Ibid.

[10] Ibid., p. 16114.

men had been withdrawn from production for military services at a time when the surplus stock of goods was depleted. Therefore, the Senator drew the obvious conclusion that when European exports were exhausted American import trade consequently suffered. With less importations there would of necessity be less revenue, and thus war losses made another tax necessary--a good acquittal for including the bill in the category of war measures![11]

The most important change made by the Senate committee in the House bill related to the tax on beer and fermented liquors. The measure as proposed by the House imposed a tax of $1.50 a barrel on beer which was raised to $1.75 by the Finance Committee which placed a gallonage tax upon "rectified spirits".[12] On October 13 Senator Smoot opened fire on the latter part of the amendment by demanding the reason for the application of the tax to "rectified whiskey" alone. In his rejoinder Simmons explained that the object of the committee was to disallow the marketing of rectified spirits at the same price as straight whiskey without paying any tax. A second reason given for taxation on the rectifier was to reimburse the Government for its accommodation in stamping each gallon of whiskey at an

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[11] Congressional Record, 63-2, pp. 16460-16467.

[12] Ibid., p. 16415.

expense of $1,000,000 per annum.[13] Following this clear-cut explanation, Senator Smoot of Utah joined in with Smith of Michigan in an attack on the sectional nature of the beer tax. Smith gave the meticulous estimate that 3.9% of the imposition, estimated to raise $5,000,000 in revenue,[14] would fall on the South while the remainder would be borne by the North.[15] A self-appointed committee on revision, which was held later, estimated the percentage, however, at 20% for the South and the remaining 80% for the North. Regarding the accuracy of these final figures the Senator from Utah ejaculated: "I have absolute confidence that he [Simmons] knows enough about where the goods of this country are produced and will be at least fair, and if he is I know he can not arrive at any other conclusion."[16] Senator Simmons denied any spirit of sectionalism on the part of the committee members and declared that "the tax on beer, like the tax on a great many other commodities, is not a tax upon the community in which the product is made, but a tax on the people of the country who consume that commodity."[17] The Senator believed the tax to be upon

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13 Congressional Record, 63-2, p. 16513.

14 Ibid., p. 16533.

15 Ibid., p. 16440.

16 Ibid., p. 16534.

17 Ibid., p. 16400.

an article on which every man could select the amount of tax he desired to pay: "If he wants to pay a small tax he will consume but little whiskey."[18]

In the subsequent discussions little opposition was elicited from the ranks of the opposition on the revising changes made by the Finance Committee in the House bill. A slight protest was made by Senator Oliver of Pennsylvania regarding the increase in the tax on telephone messages costing from fifteen cents upward. Simmons, however, opposed any change since the tax was not paid by the telephone companies but by the senders.[19] Also, Senator Smoot made an objection to the twenty-dollar tax on commercial brokers, but his objection was rejected by Senator Simmons on the same basis as the telephone provision; that is, that these brokers did a commission business and passed their expenses on in their transactions. "In lieu of the fact," he said, "that there are small brokers we have made the tax small....I believe that it is all right."[20] Agreement being concluded by October 18 on both amendments,[21] the bill made a rapid progress through the Senate, and on the

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[18] Congressional Record, 63-2, p. 16534.

[19] Ibid., p. 16669.

[20] Ibid., p. 16704.

[21] Ibid., pp. 16669, 16704.

following day gained a victorious vote of 34 to 32, 47 not voting.[33]

Perhaps the most interesting aspect of the bill lies in the fact that it secured its passage in the face of the approaching elections. Supported by the secretary of the Treasury, who declared the legislation to be necessary in the interest of the public, as well as by the President in his appeal to both houses of Congress, Simmons declared he had no fears for the success of the bill. All direct taxes, he said, were unpopular.

> I have an abiding confidence that those who seek to make party capital out of the distress and necessities of the present situation, out of a courageous discharge of a plain duty by the party in power, will be sorely disappointed, and that their effort in this behalf instead of receiving the approval of the people will receive their emphatic condemnation.[33]

After the passage of the bill, nine days after its introduction into the Senate, a conference was requested with the House, and Simmons was appointed as a representative of the Senate.[34] In less than a week the chairman of the Fin-

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[32] Congressional Record, 63-2, p. 16606.

[33] Ibid., p. 16414.

[34] Ibid., p. 16606.

mace Committee submitted the conference report containing significant changes: the beer tax increase imposed by the Senate was rejected in favor of the original House imposition of $1.50, while the two amendments uncompromisingly supported by the Senator from North Carolina remained unchanged, namely, the amendment placing a graduated tax on manufacturers of cigars and cigarettes, and second, the amendment repealing the telephone tax discussed above. The report was readily agreed to on October 22, eleven votes opposing.[25]

At the first session of the Sixty-fourth Congress on December 6, 1915 Senator Simmons answered the roll call,[26] and six days later was appointed to the chairmanship of the Finance Committee. He was also placed on the following committees: Coast Defenses, Commerce, Improved Rivers, To Examine the Several Branches of the Civil Service, and Expenditures in the Department of Agriculture.[27] After the organization of the Senate machinery, the condition of the Treasury was the magnet attracting its every turning. The financial situation of the country incident to the decline of importations, while the progress of preparedness pressed even more

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[25] Congressional Record, 63-2, p. 16866.

[26] Congressional Record, 64-1, p. 3.

[27] Ibid., p. 241.

heavily upon the depleted Treasury, made an extension of the Act of October 22, 1914 imperative. The deficit, estimated to be considerably over $83,000,000 for the the fiscal year of 1915-1916, would have to be taken from the already exhausted general fund of the Treasury if the Act were allowed to expire, so the Senator declared in his urgent solicitation for the early passage of the joint resolution reported by the chairman of the Finance Committee on December 17 extending the Act of October 22, 1914 to December 31, 1916.[29]

With this concise and comprehensive presentation of the resolution for extending the act, little protest was evinced from the ranks of the opposition; even Senators Penrose and Smoot agreed that the Treasury was "in dire need of funds".[30] However, before the passage of the resolution a desultory tirade was made by some Republicans who charged the failure of the Underwood-Simmons Tariff bill; but the charges rebounded upon the accusers when Senator Simmons declared:

> The facts that have been presented and established with respect to the operation of the Democratic tariff before the beginning of the war and since show clearly and convincingly the flimsiness of the grounds upon which the Republican Party proposes to wage its next campaign, and so demolish their paramount if not their only issue.[30]

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[29] Congressional Record, 64-1, p. 378.

[30] Ibid., p. 384.

[30] Ibid., p. 3905.

Simmons made his most potent point of defense for the monumental measure of 1913, for such it was, on its successful operation during the brief period when no tariff dislocations prevailed as a result of a continent-wide war in another part of the world.[31] Considerable reference has already been made to the incorporation of the measure because of war conditions, yet it must be said that no one was more willing to realize its shortcomings than Senator Simmons nor was anyone more ready to strengthen its weakened provisions. The most significant example of this was Simmons's attitude toward the Sugar bill considered by the Senate in April of 1916--a bill which was little more than an amendment to the Underwood-Simmons Tariff of 1913--proposing an indefinite extension of the sugar duty. Simmons gave his support to a substitute offered by the Finance Committee limiting this extension to May 1920, and it was adopted by a vote of 40 to 32.[32] After the conference deliberations, however, the Senate was forced to recede from its position and adopt the House bill. In urging the approval of the conference report, the chairman of the Finance Committee did not hesitate to inform his hearers of the fact that the Democrats were not voting with the Republicans or for protec-

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[31] Congressional Record, 64-1, p. 394.

[32] Ibid., p. 5807.

tion when they voted for the permanent duty! The Simmons motion of adoption carried by the overwhelming vote of 80 to 10,[33] a vote which may be accounted for by the resolutenese of the House and the necessity for action before a crisis should be precipitated by the entrance of free sugar into the United States under the existing tariff.

It is, therefore, a fact to be lamented that the Underwood-Simmons Tariff, which, as previously indicated, left a peacetime surplus of $34,000,000 and yielded from customs and incomes $10,000,000 more than the Payne-Aldrich bill which it superseded, was denied an opportunity to prove its intrinsic worth; and it remains an undeniable fact, acclaimed by Republicans as well as Democrats, that the war had caused the falling off of imports to the astounding sum of $381,000,000[34] and therefore a subsequent deficit in the Treasury as indicated by a Finance Committee report of March 1915.[35] The grounds for the Republican assaults on the Democratic tariff of 1913 were indefensible!

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[33] Congressional Record, 64-1, p. 3831.

[34] Ibid., p. 3914.

[35] New York Times, March 21, 1915.

The Revenue Bill of 1916

The real significance of the tariff debates of the Sixty-fourth Congress must probably hinge upon a political struggle precipitated by the oncoming presidential campaign, each party striving to capitalize on the financial demands growing out of the extraordinary economic situation. Upon the introduction of a revenue bill on August 16, 1916 by Senator Simmons,[36] a strenuous and almost frenzied effort was indulged in by the Republicans to throw a spotlight on the condition of the Treasury in order to implant in the electorate the belief that the increase in appropriations was due to "reckless extravagance and wastefulness on the part of the Democratic Party." Having conferred with Secretary McAdoo on the state of the Treasury,[37] Simmons asserted the falsity of the charge, giving convincing figures to uphold his contention. During the six years from 1906 to 1912, he said, while Republicans were in full control of all branches of the Government, the average annual increase in appropriations was 3.3%, while from 1914 to 1917, under Democratic control, the increase was 1.38%.

The wind was further taken out of the Republican sails

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[36] Congressional Record, 64-1, p. 12709.

[37] New York Times, June 30, 1916.

when Senator Simmons presented statistics for the previous ten years. Since 1907, he said, the total deficits of the Republican administrations had exceeded the total surpluses by $62,000,000. The absurdity of the favorite cry of the opposition with regard to the merits of the Payne-Aldrich bill was also indicated by the Senator from North Carolina. The largest amount collected under this measure, he averred, was $734,111,000 for the fiscal year of 1913, a sum $10,000,000 less than similar receipts during the first year of the operation of the Underwood-Simmons tariff. "A revenue system depending on customs duties would completely break down in the face of the present abnormal conditions," the Senator concluded.[38]

The last charge of Democratic extravagance was made on August 17 when Senator Penrose of Pennsylvania attributed the purpose of a considerable part of the additional appropriations as being for the payment of large salaries to the new office-holders created by the Administration. In his retort Simmons accused timidity in heaping upon the Democratic Party the entire credit for the recent innovations, and cited Charles H. Calloway, President of the Civil Service Commission, in refutation of the Republican charge of the creation of new offices outside the Civil Service.[39] The charges were forthwith dropped.

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[38] Congressional Record, 64-1, pp. 13057-13064.

[39] Ibid., p. 13103.

In the pending revenue bill the Democrats proposed to raise the needed funds by increasing the income tax on individuals and corporations; by levying a graduated tax on inheritances; and by taxing profits from the manufacture of munitions and materials entering into their manufacture. Senator Simmons denounced the old system of taxation on consumption, a tax which he deemed inequitable. The system the Democrats were inaugurating, he said, was one on wealth.[40]

In the initial stages of the discussion Senator Underwood proposed an amendment to the income tax law to remove exemptions on the incomes of both married and unmarried men--an amendment with the obvious purpose of opposing the use of the caucus system by his own party as might be indicated by the amendment's overwhelming defeat, the vote being 2 to 31.[41] Senator Underwood's revolt against the Democratic revision of the pending bill found refuge in the contention that the Democratic caucus had not placed any binding restriction with reference to the bill.[42] Simmons held otherwise: that the action of the sectional conference was morally binding and that each Senator should regard himself as duty bound to support the recommen-

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[40] New York Times, August 23, 1916.

[41] New York Times, August 25, 1916.

[42] Congressional Record, 64-1, p. 13377.

tion of the majority of the Finance Committee.[43]

The Underwood-Simmons tilt was continued on August 31 when Senator Jones of Kentucky offered an amendment whereby the President in time of war would be empowered to retaliate against any countries which had banned certain articles coming in from the United States. Simmons accepted this amendment for the Finance Committee; whereupon Senator Underwood revived the caucus controversy. Simmons stated that the provision had been offered after the caucus met but that this did not tie the hands of the committee--it could recommend it or not as it chose. However, the Senator from North Carolina made it clear that no Democratic senator was bound by the recommendation, as in the case above, since it was a committee and not a caucus one. Aimed as it was at the British embargo on tobacco going from the United States into other countries, the amendment was readily agreed to, the caucus controversy fast losing itself in the Simmons victory.[44]

Among the most interesting discussions on the pending measure was that regarding the taxation of products sold to ammunition makers. Senator Weeks of Massachusetts declared that corporations were taxed under the measure but individuals were not, as he understood the bill, and thus initiated an

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[43] New York Times, August 31, 1916.

[44] Congressional Record, 64-1, pp. 13405-13407.

argument which ran its entire course through the emergency legislation period. Simmons answered the Weeks declaration by explaining that individuals were subject to the income tax. "Where this tax is imposed upon the manufacturer of munitions we permit the corporations in making their returns under the income tax law to deduct the amount of tax paid to the Government on their product, thereby exempting them from the income tax on that product," he said. Individuals are subject to pay a surtax, whereas corporations are not, was the conclusion: "If the individual was required to pay this tax and then required to pay a surtax on his income, the corporation and the individual would be taxed on a different basis."[45] Senator O'Gorman of New York later continued this line of argument by introducing an amendment giving corporations the same immunities as individuals under the income tax law. The amendment was defeated. An attempt to extend it to insurance companies met the identical fate of its predecessor.[46] The convictions of Senator Simmons were not to be turned aside.

In the Senate discussions of August 30 attention was also centered on the license tax, as Simmons termed it. The argument revolved around the dual nature of the corporation

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[45] Congressional Record, 64-1, p. 13134.

[46] Ibid., pp. 13331-13333.

tax question: whether the imposition of fifty cents on each $1,000 of capital, surplus, and individual profits was a tax on capital stock regardless of the par value of the capital stock, or whether it included money raised on notes, mortgages, and business investments. Simmons maintained that it meant "a tax on the money actually used in the industry in the nature of capital or surplus or undivided profits." As the amendment passed, it included a provision to exempt the deposits and reserve funds which insurance companies were required by law to maintain for protection to policy holders. Senator Oliver charged that the bill was tainted with sectionalism on this issue in that it exempted $99,000 in stock before the tax became effective. Its purpose was an effort to avoid offending southern voters by placing the burden of the tax upon other sections of the country, the Pennsylvanian declared. The Senator from North Carolina, being as good as his antagonist, retorted that Oliver wanted all taxes through customhouses, so that Pennsylvania could continue to tax the rest of the Nation in order to have her protected industries.[47] Thus was the old argument of corporation versus individual income taxes revived and remained again, the astute North Carolinian being once more the decided victor.

Perhaps the most significant provision of this revenue

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[47] Congressional Record, 64-1, pp. 13408-13415.

legislation was the creation of a tariff commission. Many attempts had been made under former Republican administrations toward the realization of this long dreamed-of project, but each had failed notably. It is now, however, to be noted that the final creation of the commission was achieved without being eyed with hostility by the Republican side of the Senate. A vigorous effort was made to lend the impression that the measure provided only a temporary life for the Commission and limited its powers to the extent of rendering it ineffective. Simmons seized upon these charges, asserting that the body was permanent; that certain Republican newspapers had interpreted the provision requiring the quarters for the Commission not to be leased for more than two years as proof for the fallacious assertion. The short lease, he said, was due to the acquisition of a public building for the Commission's private use at the earliest date possible. Moreover, Simmons indicated the broad powers of the Commission as being guaranteed by the definitive terms included in the details of the provision itself. It was to be composed, he concluded, of men equipped to do the work and whose entire time would be devoted to it.[48]

The bill passed on September 5, 1916 by a vote of 42 to 16, Senator Simmons being appointed conferee acting in collaboration with Senators Williams of Mississippi, Smith of Georgia,

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[48] Congressional Record, 64-1, pp. 13602-13603.

Hughes of New Jersey, Penrose of Pennsylvania, McCumber of North Dakota, and Smoot of Utah, and the House committee.[49] As early as August 26 informal conferences between the Democratic members of the Senate and House committees which drafted the measure were begun in order that the differences between them might be adjusted for an immediate report as soon as the Senate had passed the bill.[50] And so it was that two days after the Senate vote Simmons presented the report accepting 538 of the 574 Senate amendments.[51] Not only will this legislation long remain as a memorial to the policy of taxing wealth, but it stands as a monumental measure in United States history because it created the first Tariff Commission.

The Revenue Bill of 1916

On February 3, 1917 President Wilson informed Congress of the sudden and unexpected action of the Imperial German Government in declaring its intention to disregard all former promises in undertaking immediate submarine operations against

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[49] Congressional Record, 64-1, p. 13673.

[50] New York Times, August 26, 1916.

[51] Congress Annal Record, 64-1, p. 14031.

all commerce, whether of belligerents or neutrals, without regard to the established restrictions of international practice. The practical results of this policy were revealed in the sinking of two American vessels are a fortnight and enraged, and on February 26 the President again addressed Congress urging preparedness in defense of "our commerce and the lives of our people in the midst of the present trying circumstances."[52] The diplomacy of the Administration had failed; armed neutrality or war was a last resort. Millions of dollars had to be raised; an increased army had to be assembled and war risk insurance provided;[53] quarters had to be built; ships constructed; and finally, war supplies had to be manufactured in great quantities for ourselves and our allies. Old factories had to be enlarged and new ones erected,[54] and, as has been shown in a former chapter, the United States was under pressure for the acquisition of an emergency fleet of merchant vessels.

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52 Congressional Record, 64th Congress, 2d Session, (cited hereafter as Congressional Record, 64-2), p. 4473.

53 Bureau of War-Risk Insurance established by legislation of September 2, 1914; amended February 25, 1917. 65th Congress, Special Session. Amended October 1917. Congressional Record, 65th Congress, 1st Session, p. 7704. Amended August 10, 1917. Congressional Record, 65th Congress, Special Session, p. 3167. Amended February 1918. Congressional Record, 65th Congress, 2d Session, p. 161. See also Miller, Prize Law Cases, pp. 387-388, 426-429, 437-435.

54 Simmons Hearings.

The problem which loomed in almost ghastly form before the United States Government was that of finding money with which to pay for this necessary war equipment. And to whom did the task fall? It fell in large measure to F. M. Simmons as chairman of the Finance Committee and W. G. McAdoo, secretary of the Treasury.

Shortly after a conference with Secretary McAdoo on February 3, 1917, Senator Simmons reported from the Finance Committee a bill to provide revenue for the increased appropriations,[55] which aggregated $530,000,000 for the following year in excess of the appropriation of 1916.[56] To meet the crisis precipitated especially by the army and navy expenditures increasing over 1916 by $300,000,000, it was planned by this bill to set aside a special fund for the payment of these increases by segregating from the Treasury a separate sum to meet these expenses.[57] Besides authorizing the secretary of the Treasury to issue bonds to pay off the estimated deficit of $157,000,000, the bill contained two general provisions imposing taxes. The first referred to inheritance taxes, increasing the existing rates fifty per cent; and the second

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[55] Congressional Record, 64-2, p. 3178.

[56] Ibid., p. 3384.

[57] Ibid., p. 3378.

affect a excess profits of corporations by imposing a tax of 8% upon their net profits in excess of $5,000 plus 6% on their invested capital.[54]

While Senator Simmons defended the excess profits tax as a special preparedness levy,[55] strenuous opposition was manifested against it in its original form as it came from the House. It therefore devolved upon the Finance Committee to make the necessary adjustments. For example, the Senate recommended an amendment taxing corporations and partnerships engaged in agriculture, which the House had exempted. Sharp dissent was also manifested in the exemption of individuals by provisions which confined the taxes solely to corporations and partnerships; such exemption, the opposition declared was "unduly and unjustly discriminative". Simmons maintained, however, that failure to exempt would be unfair because individuals paid a greater tax than corporations while partnerships paid no tax at all under the income tax law. Applying that law to the individual and corporation and adding the excess profits tax, "you will find," he said, "that the amount actually paid by the individual is very little less than that which would be paid by the corporation, the one subjected to the excess profits tax and the other not....In general, it might be said that the

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[54] Congressional Record, 64-1, p. 3877.

[55] New York Times, February 23, 1917.

reason for not applying this tax to individuals is...that the exemptions allowed to individuals will be duplicated to each member of a partnership in his individual capacity."[60] Moreover, Simmons applied the excess profits tax to those corporations and partnerships which derived their incomes from personal services, such as a corporation of civil engineers whose income was from the personal services of its members securing certain contracts. Senator Cummins of Iowa and Senator Smoot challenged the phraseology of the committee assessment and contended that a corporation being an artificial entity could not give personal service and thus derive income. Simmons, however, declared that the compensation of the members was turned into the corporation treasury and divided according to a fixed rule. "Now, that is not the corporation rendering the service," he agreed, "but it is an income which comes to the corporation through personal service rendered."[61]

Perhaps the most significant opposition against the bill was that of the munitions manufacturers who declared they were paying too much tax already.[62] Though this bill did not disturb the rate of twelve and one-half per cent fixed by the

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[60] Congressional Record, 64-2, p. 3679.

[61] Ibid., p. 3905.

[62] See above pp. 114-115.

emergency revenue law of 1916, Simmons did not cavil in yielding the enormous profits made by these manufacturers from a situation that rendered "this taxation on the people necessary." The Senator was converted to the idea that the additional taxation should be borne by all corporations alike, none excepted.[63] Insurance companies, especially mutual companies, also launched vigorous objections to the excess profits imposition. Fearlessly did the intrepid Senator declare the gross income of twenty companies during 1915 to have been $328,000,000 with only a total tax of $304,000! That these companies should pay the proposed tax Simmons was convinced. However, the Senator continued, if mutual companies will do business upon the mutual plan and be what they appear to the public as being, giving their stockholders the benefit of what they pay in, they will not have to pay any tax. If this law will make them return these profits to their policy holders instead of using them to swell their surplus "it will serve a good purpose," the Carolinian concluded.[64]

Toward the close of February a chronic filibuster confronted the Senate majority which, according to Simmons, was due to the heavy tax levied on the rich. Long discussions occurred over the addition of a single unimportant word to an

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[63] Congressional Record, 64-2, p. 3660.

[64] Ibid.

amendment,[65] and numerous repetitions were demanded by the opposition on the plea of inability to hear.[66] Simmons declared it to be the most determined filibuster he had ever witnessed as a member of the Senate.

> Mr. President, we are told this is not a filibuster. I care not what may be the declaration of those who are responsible for the obstruction of public business for the last five days, Senators know, and the country knows, that this is a filibuster to defeat the revenue bill, carrying $345,000,000 of taxation, $[illegible],000,000 of which is placed by the bill on the rich and powerful corporations of this country.[67]

Senator Penrose protested, denying the verity of the charge[68] and declared the Senator from North Carolina "to be mentally greatly disturbed and in a feverish condition."[69] The tension of the hour was not broken until the Senator from Pennsylvania displayed a willingness to agree to an immediate vote. "I have known Senators," he said, "nigh up in the church to say that they were only going to speak 10 minute-

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[65] New York Times, February 25, 1917.

[66] Congressional Record, 64-2, p. 3999.

[67] Ibid., p. 4000.

[68] New York Times, February 25, 1917.

[69] Congressional Record, 64-2, p. 4100.

and then speak for 10 hours,..but I will do the best I can to curb and curtail the argument. And I have no doubt the Senator will get a vote early in the week." The good feeling promoted by the force behind Simmons's uncompromising attitude in his stand on this measure confirmed the resolution of the Senator from Pennsylvania, and on February 26 the bill passed by a vote of 47 to 33.[70]

On July 1, after six weeks' work, the Finance Committee finished the re-draft of the fourth war revenue bill as passed by the House. Although the tax levy of $1,653,170,000 was larger than that anticipated on June 2,[71] and estimated to be $140,000,000 less than the amount requested by Secretary McAdoo, Simmons deemed it to be sufficient to run the war beyond the time when Congress would reconvene in the Fall after its Summer holiday. "The Government can run the war for many months on the appropriation we have fixed," the Senator said.[72] On July 3 the chairman of the Finance Committee reported the bill to the Senate,[73] stating that be-

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70 Congressional Record, 64-2, p. 4334.

71 New York Times, June 2, 1917.

72 New York Times, July 1, 1917.

73 Congressional Record, 65th Congress, 1st Session, (cited hereafter as Congressional Record, 65-1), p. 4334.

cause of the weeks of pressure in the work on the re-draft the committee had had no time to prepare a report; and that the three senators of the minority, Senator Gore of Oklahoma, Senator La Follette of Wisconsin, and Senator Thomas of Colorado, had as yet failed in an effort to reach agreement on one report. Despite a committee cut of $1,810,000,000 in the House appropriation, the chief decrease being made in taxes falling on the consumer, while 70% of the tax lay on excess corporation war profits and corporation income, the minority pretended to insist upon the entire levy upon corporation excess war profits, income, and liquor.[74]

Vigorous protest which reached the Finance Committee delayed the immediate consideration of the bill and ultimately caused its recommitment to the committee on July 7.[75] Representatives of various corporations throughout the United States displayed especial antagonism toward the provision imposing the 15% corporation surtax. Besides paying the existing 2% tax, corporations were now compelled to pay an additional tax on the undistributed net income, they argued, plus a graduated tax on excess profits running from twelve to fifty per cent. This tax was to apply to corporations, joint stock companies, and insurance companies in the United States whether organ-

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[74] New York Times, July 4, 1917.

[75] Congressional Record, 65-1, p. 4703.

lsed under foreign or domestic laws. Regarding the equitableness of the provision Senator Simmons not only stated that the Finance Committee would consider objections from every source in the interest of fairness, but he also expressed himself as believing that the committee would retain the surtax.

> I do not consider the surtax as unfair, he said. Exemption of 2% gives the corporations leeway before the tax is applied. That exemption applies to nearly every species of net income. If the majority of the Finance Committee decides... to strike out the tax, it will be eliminated before the bill goes back to the Senate, but my impression is that it will stay in.[76]

For one month the bill remained in the committee; it was not until well up into August that a favorable report was finally given to the Senate,[77] formal reading dispensed with, and consideration began.[78] In presenting the measure Senator Simmons stated that nothing had been done in the committee deliberations hastily, nothing had been decided without full consideration. "Every member of the committee at every stage," he said, "has shown a keen sense of responsibility in imposing upon the people of this country the greatest burden of taxation ever put upon them....There was at

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[76] New York Times, July 16, 1917.

[77] Congressional Record, 65-1, p. 5937.

[78] Ibid., pp. 5943-5944.

no time any partisan rancor or manifestation of sectionalism." The Senator further pointed out that the committee had acted on the theory that incomes and war profits were the chief source of revenue to finance the war, and that under the Senate amendment to the House bill $1,340,000,000 of the $2,000,000,000 would be raised from this source.[79] The differences, resulting in the three members refusing to give their assent to the committee report, were over the source from which the money should be obtained and not over the plan of taxation, the Senator declared. "The line of cleavage was as to whether a part or the whole of the two billion...should be raised from taxes upon the incomes, war profits, and intoxicating beverages."[80] The bill called for three-fourths of the amount to be raised from these three sources, the rest to come from consumption and excise taxes, all of which were widely distributed. The basis of the system proposed by the committee, with respect to the last category, rested upon internal-revenue taxes on whiskey, tobacco, and subsidiary levies in the nature of excises; and on August 14, when the committee amendments were taken up, practically every one regarding war profits, tobacco,

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[79] Congressional Record, 65-1, pp. 5863-5867.

[80] Ibid., p. 5863.

and spirits was passed without protest.[61]

Of the three phases of protest against the pending bill, probably the most significant resulted from the cleavage as to the method of paying for the war. Senator Simmons clearly defined his stand in favor of bond issues as well as taxation by advocating in the committee session of May 27 a bond issue of $750,000,000 to run over a period of years.[62] On August 23 Senator La Follette proposed a substitute for the income tax rates contained in the bill, a substitute which was boldly defended by Senator Vardaman of Mississippi on the ground that the Finance Committee chose to impose the burden of the war on men of small means and to deal lightly with those of large fortunes.[63] It was true that the radical opposition held out for financing the war on the basis of taxation alone. In explaining the salient features of his substitute La Follette declared it would collect $994,000,000 more than the pending bill by the 80% flat rate which it imposed on war profits--exactly the same rate imposed by Great Britain, he declared.[64] In fine, the substitute placed the entire tax on excess corpora-

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[61] Congressional Record, 65-1, pp. 6029-6036.

[62] New York Times, May 28, 1917.

[63] Congressional Record, 65-1, p. 6270.

[64] Ibid., p. 6253.

tion profits, corporation income, liquor, and tobacco.[85] In his opposition to the substitute Senator Simmons attacked those opposing the entrance of our Government into the war by declaring them to be unsympathetic with any measure in its behalf. That the present generation should pay for the expenses of the war by taxation as well as give of its manpower while the future enjoyed the benefits of victory was the desire of the proponents of this amendment, the Senator from North Carolina boldly averred.

> If you want to make this bill unpopular with the masses of the people of this country, the people of small and moderate incomes, if you want to make the load that is imposed upon them already heavier and heavier, if you want to exact from them an unfair proportion of the expenses of this war, the Senator said, then you can do it and do it very effectively by adopting the amendment of the Senator from Wisconsin.[86]

The substitute was rejected on the day it was presented by a vote of 65 to 15.[87]

Severe opposition was also offered to the bill under the misrepresentation that corporations, trusts, and railroads would escape taxation under the Senate amendments. In his

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85 New York Times, July 1, 1917.

86 Congressional Record, 65-1, p. 5271.

87 Ibid., p. 5284.

defense against this argument Simmons gave lengthy tables on August 11 proving that under the Senate scheme of ascertaining the pre-war basis for exemptions and taxing by a graduated scale that these corporations would not escape. As a matter of fact, the figures showed the war profits of certain corporations to be phenomenal.[88] Railroads, he declared, earning four and one-half per cent before the war would have to double their earnings before paying any tax whatever under the House bill. The only just, proper, and logical basis of determining a rate on war profits, according to Simmons, was to ascertain the actual earnings of the concern before and since the war.[89]

Again on August 24 Simmons deprecated the "impression" among certain senators that the committee changed the law to make it favorable to corporations. Senator Jones of New Mexico held that a corporation would pay no surtax under the pending bill! Simmons declared there was no foundation for such an assertion; that distributions to stockholders would have to be made in order for a corporation to escape the tax. To meet the temptation of holding earnings in the Treasury for this distribution, thereby escaping taxation, the Senator cited the

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[88] Congressional Record, 65-1, p. 6071.

[89] Ibid., p. 6194.

provision permitting Government enquiry into such holdings for the purpose of determining any inequity.

> Yet the said ...the impression is attempted to be created that we have by special [illegible] corporations when in fact we have done something to punish corporations if they shall retain their surplus for the purpose of escaping taxation.[90]

In setting forth the vital points of protest against the pending bill the name of Senator Underwood is not to be omitted, for as yet the Alabamian was still smarting under the blows of the 1916 legislation. Regarding the pending legislation Underwood favored a flat 5% exemption with the capital set at present day values while Simmons defended a sliding scale with the basis on actual value of assets at the time of the corporation's organization. Underwood's alliance, through his father-in-law, with the big interests most likely explains his intense opposition to the bill. Senator Bankhead, also of Alabama, circulated a speech in opposition to the legislation and in support of the Underwood proposal to amend the Administration bill. Simmons briefly replied to the proposal of the Senator from Alabama, indicating its object to be an interference with the raising of revenues needed to conduct the war. At the close of the rejoinder, Senator Townsend of Michigan forced Underwood to admit the verity of the Simmons state-

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[90] Congressional Record, 65-1, p. 6335.

ment which served to settle the matter. As a result "higher incomes were taxed heavily; a large part of the excess profits were taken by the Government for war purposes; hence the original cost of the plant became the basis for evaluating the assets at the conversions."[91] Furthermore, on August 30 the Senator from Alabama took occasion to recall his fervid opposition to the creation of the tariff commission which, according to him then, had proven itself to be a failure. "I told the Finance Committee," he said, "that they were wasting $300,000 and would accomplish no result." In reply to the obvious falsity of the assertion Simmons subtly stated that the "Finance Committee is and has been unfortunate in not having the approval of the Senator from Alabama."[92]

A second point of keen attack on the part of the opposition lay in the strenuous objection to the action of the Senate which included individuals in the scope of the tax. Simmons answered the charges by declaring the tax to be "reasonable"; it is a tax, he said, that will be paid concerning to profits from the war. Thus

> we have not only required that every man who makes war profits shall contribute a part of them to the Government to pay the burdens of the war, but

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91 Simmons Memoirs.

92 Congressional Record, 65-1, p. 6452-6456.

> we have given everybody who is making excessive profits out of the misfortunes of the country an opportunity to contribute to the carrying of the burdens which have been imposed upon the fellow who is the result of the [illegible] out of which he is reaping his harvest of gold.

It was again Senator Jones of New Mexico who took issue with Simmons on this point. Jones declared that corporations would pay one amount of tax while individuals would pay a different: e.g. a corporation income of $100,000 a year would pay a $2,000 tax, while the individual with the same income would pay $20,430. Simmons pointed out that the corporation income tax was paid out after it had distributed its dividends, and that it was subject to the excess profits tax and a surtax of 10% on its undistributed profits.[94] Again the oil controversy was revived and rehashed as it had been in the several former discussions.[95] A vital point was brought out in the discussion, however, when it was shown that the farmer was included in the tax levies. "I know they are making profits such as they never thought of in their most optimistic dreams. Why should the farmer not be included?...If he could be put to pay taxes upon his peace-time profits, the strongest [illegible]

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[93] Congressional Record, 65-1, p. 8973.

[94] Ibid., pp. 8952-8954.

[95] See above pp. 110-114.

should pay a tax upon his war-time profits," the Senator asserted. And in conclusion he commented that the demand for exemption was not coming from the farmer, a statement which the opposition despaired in hearing.[96]

It is obvious from the above discussions that Senator Simmons was an ardent defender of huge taxation for war purposes. "I believe," he said, "this is a righteous war made necessary by every consideration of national honor and safety. I know that money is as essential to its successful prosecution as armies and navies, and I believe that everyone should pay for its support according to his ability."[97] That the heavy war profits tax and the inclusion of the farmer in the Senate scheme of taxation would count against his political future, Simmons had no fear. He believed that the people of his state were not made "of such stuff",

> The confidence reposed in me by my constituents in my election to this body on three different occasions, as well as the compliment paid me by my colleagues of this body in making me chairman of this great committee, has devolved upon me a responsibility to my country which I dare not shirk nor attempt to evade. As chairman of this great committee which has brought in this bill--the greatest of all budgets--my duty is to the whole country and to all the people.[98]

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[96] Congressional Record, 65-1, pp. 5973-5975.

[97] New York Times, August 12, 1917.

[98] New York Times, September 4, 1917.

By August 30 the clouds of opposition had gathered to such proportions that compromise was inevitable; but surrender of the Finance Committee came only when it was evident that the bill would not pass without drastic changes. As a matter of fact, fever run so high by the advent of September that Senator La Follette refused to remain in the Senate Chamber under the voice of the chairman of the Finance Committee.[99] Although Simmons had expressed the sentiment of the committee as opposing any increases in the bill,[100] on August 29 the Senator himself offered amendments raising the war profits tax levy $500,000,000. The upshot was that the committee divided on a further corporation tax, and the new exemption was confined in its application to all war profits exceeding the graduated scale of six to ten per cent.[101]

After its passage on September 10 with only four opposing votes--those of Senators La Follette of Wisconsin, Borah of Idaho, Gronna of North Dakota, and Norris of Nebraska--the bill went to the joint conference of the House and Senate where it remained for over two weeks.[102] As a conferee

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[99] New York Times, September 4, 1917.

[100] New York Times, August 30, 1917.

[101] Congressional Record, 65-1, p. 6586.

[102] Ibid., p. 7013.

Senator Simmons expressed the opinion that the bill returned a better measure than it left either House of Congress.[103] No change occurred in the income tax except a slight reduction of rates, which made little difference in the Government revenues.[104] It must be said, however, that the excess profits tax applied to both corporations and individuals at the urgent plea of Senator Simmons, standing firm as he did in his conviction that everybody engaged in business should contribute his mite to the expenses of the war. The conferees yielded reluctantly on this point, and compromise was effected only by placing a flat tax on the invested capital of all professions. Against this tax severe press criticism was afterward manifested.[105]

Thus every category of business and income had endeavored to avoid taxation; especially had there been an effort to ward off excess profits taxes on big industries. Also, as we have seen, there was a mighty protest against rates on large incomes of all and a struggle over the basis for the

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103 Congressional Record, 65-1, p. 6896.

104 Ibid., p. 7615.

105 Congressional Record, 65-1, p. 7630; New York Times, October 7, 1917.

evaluation of the corporation assets in determining excess profits. Simmons favored pre-war values rather than war values, even as he advocated a large income tax in the higher brackets. Republican opposition was strong, allied as it was with the big interests,[106] but the keen and constant policies of Senator Simmons ultimately prevailed in the maelstrom of taxation in the Senate financial whirlpool.

Bond Issues

Concurrent with the framing of these four tax measures was the further task of promulgating tremendous bond issues. The story of the framing of these bills is of necessity short, due primarily perhaps to the emergency following the declaration of war in April 1917. Hitherto fiscal legislation had laid its major key on taxation while bond issues played a minor part. But now the reverse was true. From April 1917 until September 1918 four Liberty Loans were issued, the last aggregating the sum total of $16,940,000,000, the largest bond issue in the history of the Nation up to that time;[107] and in the careful investigation on the passage of these measures

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[106] Simmons Remains. Some of the western Republicans wished to levy higher taxes on corporations and men of large means.

[107] Baldoo, Crowded Years, p. 391.

the writer was later impressed not only with the prominence of Senator Simmons in their framing but also with the tremendous pressure which he exerted upon each of them as they passed through the Senate gauntlet. As chairman of the Finance Committee Simmons realized the gravity of the hour as indicated by the corridors crowded with people anxious that their interests be heard.[106] And indeed there was cause for alarm. An international crisis hinged on the decisions of the fiscal program of the United States. The time for discussion was past; the hour for action was at hand.

In presenting the first Liberty Bond act to the Senate on April 17 Simmons was lured into a flight of inspired oratory as he stressed the stimulating effect of the great war budget upon the Allies and the consequent discouragement to those who fought to maintain that discredited and hated principle of autocracy among men.

> We must press forward the aids. We must get solidly behind the Administration. Our pledges of support must be backed by action; the Commander-in-chief of the forces of the United States must have at his control every resource of men and money required to bring the great undertaking to a [illegible]

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106 Simmons Memoirs.

we are engaged to a successful issue,[109]

In answer to this patriotic call and in opposition to Senator Warren G. Harding of Ohio,[110] the first Liberty Loan passed April 24, 1917, authorizing the issuance of $3,000,000,000 in United States bonds, tax free except estate and inheritance taxes, at the rate of three and one-half per cent interest. It was further provided that purchasers of this issue could be permitted to convert their holdings into bonds of any subsequent issue which might bear a higher rate.[111] When the subscription books were closed on June 15 the Liberty Loan had been oversubscribed by more than a billion dollars, the subscriptions amounting to $4,035,386,850. Concerning the sale of these bonds W.G. McAdoo said:

> The people bought Liberty bonds with enthusiasm and on a scale that had no parallel in our national history. Within thirty days the subscriptions to the First Liberty Loan ran up to a larger amount than the total of all the bond sales of the federal government during the four years of the Civil War.[112]

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109 Congressional Record, 65-1, p. 747.

110 McAdoo, Crowded Years, pp. 386-389.

111 Ibid., p. 384.

112 Ibid., p. 385.

Before the summer of 1917 was over, however, plans were laid for a second Liberty Loan. A great number of people had put their fortunes in the bonds of the first issue, escaping thereby the normal income tax and surtaxes; this was a disturbing situation affected many financial circles. In the second issue, passed by the Senate September 24, 1917, bonds, totaling $3,000,000,000, were made exempt from all taxes except estate and inheritance taxes, surtaxes, and excess profits and war profits taxes, while the rate of interest was raised to four per cent as a compensating feature.[113] No phenomenal was the success of the second Liberty Loan that a third was floated in the spring of 1918. By this time, however, the bonds of the first and second issues were selling slightly below par;[114] it was therefore decided to make the third loan more attractive by putting the interest rate up to four and one-fourth per cent. As passed by Congress on April 4, 1918, the total offering was $12,000,000,000 of non-convertible bonds--that is, the conversion privilege, giving the

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[113] Seldon, Growth Years, p. 406.

[114] Ibid., p. 429.

holder the right to convert the bonds into future issues bearing a higher rate of interest, was omitted.[115]

The fourth Liberty Loan, presented to the Senate on July 5, 1918, increased the amount of bonds heretofore authorized from $12,000,000,000 to $30,000,000,000, the rate of interest remaining as before, four and one-fourth per cent.[116] To make the loan more attractive to a certain class of investors, it was provided that interest on thirty thousand dollars of these bonds held by one person would be exempt from surtaxes until two years after the close of the war.[117] In supporting this provision Simmons reasoned that the owners of former issues, having the conversion privilege, would convert them into these fourth Liberty Loans at a higher rate, and then would be enjoying the permanent tax exemption carried in the original, first issue bonds. At least the Senator declared this to be the desire and aim of the Treasury Department in promoting the bill.[118]

By February 1919, however, the decline in Liberty bonds was so marked, while the Government obligations continued the

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115 Congressional Record, 65th Congress, 3d Session. (cited hereafter as Congressional Record, 65-3), pp. 4530-4530.

116 Ibid., p. 8691.

117 McAdoo, Crowded Years, p. 410.

118 Congressional Record, 65-3, pp. [illegible]; McAdoo, Crowded Years, p. 410.

in excess of the revenue, that a bill appeared before the Finance Committee to meet the situation. The failure of these bonds to be maintained at par was reasoned out by Senator Simmons: first, that people bought through loans and on installments and had been unable to sell the bonds; second, many had margined their bonds thus flooding the market; and third, silent stocks, or stocks taken by agents who peddled over the country worthless high interest bearing bonds in exchange for these low interest Government bonds for the purpose of throwing them on the market in enormous quantities for cash.[119] Something had to be done to counteract these prevailing tendencies and prevent them from undermining the fiscal foundation of the United States Government.

On February 19 Senator Simmons declared that

> the only way we can be assured that these bonds will maintain their value in the market at the price at which they are sold by the Government is either by the extension of the exemption from taxation now allowed by law, or by an increase in the interest rate.[120]

The plan finally agreed upon was based somewhat on psychology (Simmons, if there be such a thing. It was presumed that the necessary $5,000,000,000 needed to meet our maturing

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[119] Congressional Record, 63d Congress, 2d Session, [cited hereafter as Congressional Record, 63-2), p. 3752.

[120] Ibid.

obligations should be secured through a bond issue--this time to be called a Victory Loan, the war being victoriously ended. A problem, however, arose over the question of taxation. Recent legislation had subjected Liberty bonds to federal taxes, surtaxes, excess profits, and war taxes, and Senator Simmons recalled on March 1 the previous difficulty in stirring the people to invest in the bonds of former issues when they were selling below par. It was obvious that such would be the situation under the pending bill; therefore the plan was devised "that short-term notes of not less than one year's nor more than five years' maturity be issued," with no specific rate stated.[121] Senator Page of Vermont debated hotly with Simmons on this latter provision. Page expressed two fears, each in extreme direction from the other: First, that the bonds would go to a lower level than at present; and second, that the rate of interest should far exceed the present imposition of four and one-half per cent. In answer to the Senator from Vermont Simmons declined to speculate on the future; however, he did express his belief that as soon as the gates of the great highways of international trade were opened again there would be a rapid improvement in the tide of prosperity. Moreover, that the rate of increase would not be set higher by the Secretary of the Treasury in collu-

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121 Congressional Record, 65-3, p. 4720.

bortion with the President, the Senator was confident. "There is no trouble now," he said, "on the part of the Treasury Department in getting all the money it needs upon the short-term certificates of indebtedness bearing four and one-half per cent interest." To establish a final vote, the Senator believed, would be to go up to that vote when the bonds were issued.[122]

By 4:15 A.M. on the Sunday of March 3 discussion had risen to such a pitch that Senator La Follette concluded after a very long speech. His strength confessedly exhausted, that the Senate was a "mere sham" in accepting the "whole processing" of the Finance Committee program. Senator Penrose suggested adjournment, but Simmons said his problem for an opposing decision, and the bill finally passed at 8:40 A.M.[123]

The above details are designed to give the reader a concise insight into the stupendous task assigned to Senator Simmons as chairman of the Finance Committee. No greater burden fell upon any soldier of the World War period and no battlefield wound caused much greater stress than the bullets of opposition fired into the very vitals of these great fiscal measures. A continued story, however, is too involved to be relevant in this brief space. Suffice it to say, that

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[122] Congressional Record, 66-3, p. 4732.

[123] Ibid., p. 4756.

and dangerous revenues the greatest bond issue of any war period was successfully devised in 1917-1918 by the Finance Committee of the United States Senate of which Furnifold McLendel Simmons was chairman.

Inauguration of the Budget System

The reorganization of the fiscal system of the United States after the Revolution took the form of an adventure into the field of a balanced budget. On August 13, 1919, upon the motion of Senator Lodge, a special committee was constituted to consider plans for a budget system, of which Simmons was an important member.[134] Nine months later the plan was completed for the creation of the system and submitted to the lower House where it met little opposition and few changes. On May 3, 1920 Senator Simmons presented the conference report to the Senate saying:

> I do not believe it is possible for two branches of Congress to have worked out and finally come to an agreement upon a system that will more effectually accomplish the purpose which the Congress has in mind and which the country has in mind in the establishment of a budget than this confer-

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[134] Congressional Record, 66th Congress, 1st Session, (cited hereafter as Congressional Record, 66-1), p. 3793.

ence report, and I trust that we may have practically a unanimous vote in support of the Conference report.[135]

The report was adopted on the day of its submission, but it failed to run successfully the White House gauntlet. According to Simmons the President's veto was based on the unconstitutionality of a provision contained in the bill giving the power of removal of the comptroller general to Congress instead of the President whose authority it was to appoint him.[136] The bill was immediately sent to the House, after receiving the veto-message, where it was reenacted with this item omitted. Thereupon it secured the approval of both Houses and of the President.[137]

War Finance Corporation

The last project of the war period with which the ingenious Simmons was closely associated concerned the creation of the War Finance Corporation organized to maintain certain war industries which were having serious difficulty in securing advances because of existing conditions. The

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[135] Congressional Record, 66-2, p. 7733.

[136] Ibid., p. 8035.

[137] Simmons Memoirs.

bill,[188] establishing the institution, introduced on February 4, 1918 by Senator Simmons, was a Senate document devised by the Nation's brain trust, "Simmons and McAdoo"; but due to the more or less sensitive nature of the House with respect to any invasion of its right to originate legislation raising revenue, the entire Senate bill was rewritten[189] with the addition of several "unobjectionable sections".

The most pretentious interest appearing before the Finance Committee in behalf of the bill was represented in public service corporations. These corporations were consecutively defended by the committee chairman because of their indispensable service to the Government rendered at tremendous expenditures. Moreover, in addition to these capital demands, the Senator pointed out the large maturing obligations which the financial situation growing out of the depressed conditions of public utilities securities made impossible to be met through the ordinary channels of banking facilities. Government borrowing had largely preempted the investment money of the country; uncertainty brought about by war conditions had aroused a public timidity in purchasing securities; rates under which public utilities had operated were prescribed by local commissions

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188 Congressional Record, 65-2, p. 1606.

189 Ibid., p. 4377; McAdoo, Crowded Years, pp. 441-443.

at estimates lower than the rising expenses of the companies could afford--all these factors were united in plunging public utilities into a financial crisis.[130]

Unlike public service corporations, savings banks were included in the provisions of the bill, permitting advances on their securities without regard for their contributions to the war. In supporting this provision Simmons pointed out that the deposits of such banks were made up of life-long savings which, in turn, were invested in long-time securities even before the war program was begun. These securities if sold now, Simmons maintained, would be sacrificed; whereas by this bill these banks could obtain indirect aid from the Government through the channels of the corporations.[131] It was the proposal of Senator Pomerene of Ohio to include Building and Loan Associations in the same category as savings banks; but Simmons opposed their inclusion since it was a primary object of the legislation to discourage investment in unnecessary things.[132] The Pomerene amendment was, however, adopted

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[130] Congressional Record, 65-2, p. 3775.

[131] Ibid., p. 3785.

[132] Ibid., p. 3786.

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on March 6.

The most strenuous opposition to the creation of the War Finance Corporation was manifested by Senator Hollis of New Hampshire. The basis of his protest lay in the fleecing of the kinds of human sort in competition with her sister, and offered the suggestion that the borrowing be done on Liberty bonds alone, thus avoiding the risk of the insecurity involved in the Corporation's bonds. Simmons, on the other hand, reasoned that all institutions, except public utilities which could appeal directly to the Finance Corporation,[134] would give as security not only their own obligations but also the security offered by the Federal Reserve bank through which the deals would necessarily be made. Opposition was further made to the legalization of a committee already existing in the Treasury Department which licensed the issuance and sale of corporation securities. This protest finally brought forth a substitute creating the committee and granting to it an official status,[135] but denied the power of prohibiting capital issues. Thus it would be merely a body advisory to the public as to matters

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133 Congressional Record, 65-2, p. 3105.

134 Ibid., p. 3770.

135 Ibid., pp. 3881-3883.

in its judgment, it would be compatible with the public interest to have the new securities thrown on the market. Simmons accepted this substitute, and it was adopted as a compromise between the Finance Committee and Senate factions.[136]

The psychological effect of the passage of the bill[137] is well worth noting. The industrial leaders who had hounded the Senate mills for weeks all returned home and set to work on the basis of the $2,000,000,000 in bonds to be issued and placed at their disposal by the War Finance Corporation.[138] However, when the bankers realized what was happening, their "fears" vanished along with any motive of profiteering, and the War Finance Corporation had little lending to do until after the war![139]

During the post-war period it was not the public utilities which faced a crisis but the farmers. The agricultural regions of the Nation were threatened with ruin, and a resolution was adopted in December 1920 by the Senate recommending the War Finance Corporation.[140] Credit of $1,000,000,000

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136 Congressional Record, 65-2, p. 8100.

137 Ibid., p. 8151.

138 Ibid., p. 8167.

139 Simmons Memoirs.

140 Congressional Record, 65-3, p. 550.

was thereby given to the farmers through the Reserve banks as protection against further losses. In his support of the resolution Simmons expressed confidence that the same psychological effect would prevail in 1920 as two years before.[141] Again the situation was one of lack of money, but was owing to the fact that money was not available on the security which the farmer was able to give. A Federal Reserve rule disallowed the rediscounting of paper given for the purpose of enabling the farmer to withhold his crops from the market until market conditions were better.[142] Simmons regarded the Federal Reserve policy as being too drastic in this respect, declaring that farmers had been unable to protect themselves against declining prices. On December 13 Simmons went so far as to tell Senator Glass, who was in large measure the author of the Federal Reserve System, of his longtime esteem for the system, but, he said, "I do think in this particular instance about which complaint is made that the board has made a very serious mistake and is bringing great suffering to a large section of our country."[143] In support of these forceful arguments the Senate passed the measure a second time on June

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[141] Congressional Record, 66-3, p. 317.

[142] Ibid., p. 356.

[143] Ibid., pp. 360-362.

3, 1920, Simmons withholding his vote in deference to the Executive's vote.[144]

Revenue Readjustments of 1919-1919

After the war closed tax relief became a very live issue. The pendulum of our fiscal methods swung backward. Immediately before leaving for Europe "to translate into action the great ideals for which America has striven", President Wilson addressed a joint session of Congress on the immediate necessity for readjustment of our domestic fiscal policy. In presenting his stand the President said in part:

> For the stimulating and facilitation of our own domestic readjustments nothing is more important than the immediate determination of the taxes that are to be levied for 1918, 1919, 1920. As much of the burden of taxation must be lifted from business as sound methods of financing the Government will permit....
>
> If the war had continued it would have been necessary to raise at least $8,000,000,000 by taxation payable in the year 1919; but the war has ended and I agree with the Secretary of the Treasury that it will be able to reduce the amount to $6,000,000,000.
>
> I entirely concur with the Secretary of the Treasury in recommending that the $6,000,000,000 needed in addition to the $4,000,000,000 provided by existing law be obtained from the profits which have accrued and shall accrue from war contracts and distinctively war business, but that these taxes be confined to the war profits accruing in 1918, or in

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144 Congressional Record, 66-3, p. 876.

1919 from business originating in war contracts. I urge your acceptance of his recommendation that provision be made now, not subsequently, that the taxes to be paid in 1920 should be reduced from $6,000,000,000 to $4,000,000,000.[145]

Pursuing the ideals of the President's authoritative advice, Simmons submitted to the Finance Committee on November 21, 1918 an outline for the readjustment of the revenue bill needed to fit the fiscal requirements of 1920;[146] and on December 6 he likewise presented a favorable report from the Committee to the Senate providing for the revenues of the post-war period.[147] This bill, as a matter of fact, was a revision of the House legislation passed to the Senate immediately before the Armistice was signed. The upshot was that the task of revision on the basis of demobilization and reconstruction fell to the Finance Committee.

Sharp disagreement arose in the committee sessions over the $8,000,000,000 reduction for the year 1920 as proposed by the President (above) and the secretary of the Treasury.[148] The presentation of this measure occasioned one of the few

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145 Congressional Record, 65-3, p. 14.

146 New York Times, November 23, 1918.

147 New York Times, December 7, 1918.

148 Congressional Record, 65-3, p. 350.

instances in which reasons for a change in revenue had been disclosed before the beginning of the taxable year for which the new rates were to be imposed; but owing to the European situation the pending measure was not considered until several months of the taxable year had expired. In presenting the bill Simmons admonished the senators against its passage without special reference to the fiscal year 1930. How are producers to fix prices, he asked the minority opposition, if the reductions were not made until the next session of Congress? Simmons further painted a picture of industries collecting the $3,000,000,000 from the people in excess of what would be required under the reduced tax rate. Merchants, he said, will mark up their profits on the basis of this tax rather than lower them on the uncertainty of a promised reduction. And in conclusion the Senator took one last crack at the Republican party by asking a question whose answer was obvious:

> Does the minority desire to bring about this situation simply in order that a new Congress of different political control shall have the opportunity of performing the gracious service of relieving the great industries of the country from $3,000,000,000 in taxes paid indirectly by the people in the increased prices of the necessary things they bought.[149]

In the discussion of the pending bill sharp antagonism

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[149] Congressional Record, 65-3, p. 351.

was manifested among the political parties. Republicans wanted to grant relief first of all to the corporations and the wealthy; Simmons desired, on the contrary, to give the little man primary consideration, "although," he said, "I was not opposed to allowing all to share in the general relief."[150] The Finance Committee was also at odds with the House, especially with regard to the income tax. Simmons opposed the discriminatory House rate on corporation incomes and substituted for it a uniform tax of 12½. Furthermore, Simmons regarded it impracticable to impose a surtax on the lump earnings of a corporation; at the same time recommending exemption from the excess profits tax and the imposition of a surtax on the distributed earnings of a corporation "whether distributed or not".[151]

As for the remainder of the provisions nothing gave more trouble than the problem of adjusting taxes on life insurance companies. As the amendments finally appeared in the bill, the tax fell on the income from the investments of such companies, and the rate was fixed to take the place of the income, excess profits, capital stock, and policy taxes heretofore imposed. Speaking broadly, there was also a reduction of the excess profits tax rates, especially was the reduction made effective for the small corporation. A change in the

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[150] Simmons Memoirs.

[151] Congressional Record, 65-2, p. 853.

inheritance tax schedule was also made in that the part coming to each beneficiary should be taxed instead of the gross estate as provided by the House. Senator Simmons further opposed the House provision taxing industries employing child labor. "I think," he said, "under the Constitution it involves the exercise of a power which rests exclusively with the States."[152] The amendment, however, was agreed to, Simmons being one of the twelve negative voters, and was duly sent on its way to encounter the same decision given by the Supreme Court in 1918--unconstitutionality.[153]

Although signed, the minority report was, by every committee member except La Follette who objected to the general plan of taxation,[154] with especial emphasis on the inheritance tax section,[155] the bill, being the largest tax measure in the history of civilization, met heavy opposition on the Senate floor. In a prolix debate with Senator Smoot on December 16 Simmons asked the pointed question should the bill pass without the $2,000,000,000 remittance proposed by the Administration who would get its benefit? Smoot, however, held firm to

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[152] Congressional Record, 65-3, pp. 254-256.

[153] Ibid., p. 631.

[154] Ibid., p. 543.

[155] Ibid., p. 284.

the postponement of the tax imposition until a special session of Congress should be called, averring that the answer to Simmons's question would depend on the bill of 1920![156] The Senator from Utah launched his most vehement antagonism on the luxury tax question. Simmons maintained that a tax on clothing during the present high market was a tax on the workingman. The opposition held otherwise, asserting that a woman's hat costing $15 was a luxury and not a necessity.[157] But the hour of greatest glory for the opposition came with the declaration that the Underwood-Simmons Tariff bill would "not remain on our statute books many months longer".[158] And then the object for the special session of Congress was instantly revealed! Certain changes the Utahian endeavored to bring necessary: the imposition of a sales tax, the rejection of inheritance taxes, and justice rendered to corporations,[159] but beneath each was one shrill cry: Down with the Tariff of 1913!

The most controverted matter in the entire bill was the tax question for the fiscal year 1920, and shortly after the

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156 Congressional Record, 65-3, p. 459.

157 Ibid., p. 763.

158 Ibid., p. 509.

159 Ibid.

debates were opened on December 10[160] the Senate became a method of dissension. Senator Penrose, representing the minority, declared he would not support any effort to fix the tax rates for 1920--an assertion too obvious to be denied by Simmons. Senator Townsend took up the argument with Smoot that the Government expenses for 1920 would exceed the appropriation of the pending bill by $6,000,000,000, adding that it would be a novel experience for a Republican administration, which had recently been elected to Congress, to issue bonds for current expenses! Democratic financing for the last six years, he said, will make a large bond issue necessary for 1920.[161] Simmons was not unaware that Government expenditures would exceed the appropriation, yet it was not his idea to raise the entire amount by taxation as seemed to be the intention of the Republicans. That the President would call the Republican Congress upon his return from Europe, Simmons was not altogether confident as was his secretary Senator Townsend; meanwhile, he feared the advent of the new year would fix prices on a basis of the existing tax appropriation of $6,000,000,000.[162]

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160 New York Times, December 11, 1919.

161 Congressional Record, 66-2, p. 741.

162 Ibid., p. 745.

It was in the interest of the body politic that the great North Carolinian pushed the bill to a successful conclusion on December 23.[163]

A move which might have resulted in shutting off all debate was taken on February 10, 1919, immediately after the reading of the conference report, when Senator McKellar, who was occupying the chair,[164] secured a quorum by roll call and put a motion before the body for a viva voce vote that the bill be adopted. Before Senator Simmons could object, the vote was taken and the bill declared law. At Simmons's protest against the action, however, the Presiding Officer reconsidered the vote and gave the chairman of the Finance Committee the floor, whereupon Simmons began a discussion of the bill.[165]

Of the 602 amendments on which both Houses had to agree in conference, perhaps the most critical included those involving the excess profits taxes, the Senate substitute of an inheritance tax for the House estate tax, and the second class postal rates. As might be expected the most significant tilt of the debates occurred over the profits taxes when the Republican opposition, led by Senator Kellogg of Minnesota and

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163 Congressional Record, 65-3, p. 834.

164 New York Times, February 12, 1919.

165 Congressional Record, 65-3, p. 3131.

Smoot, met the Simmons impenetrable line. The upshot of the battle was a hostile propaganda program organized by some of the big corporate interests for the sole purpose of defeating the revenue bill. On February 11 Senator Simmons devoted the greater part of his opening address to an assertion that the propaganda was possible only because "business interests did not understand the provisions of the legislation and had depended on perfunctory reports in the newspapers."[166] In order to facilitate the passage of the substitute for an inheritance tax, thereby defeating the House estate tax, the Senate was willing to compromise on the excess profits tax,[167] and yielded as to the method of imposing the tax, the House yielding as to the rates.[168]

Rejoicing over the Senate victory on the inheritance tax program soon merged into a lamentation for the defeat of the zone system amendment dealing with postal matters. Acrid debate occurred in the committee session with regard to the Senate recommendation for repealing the House provision concerning the zone system as to second-class matter, for which

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166 New York Times, February 12, 1919.

167 New York Times, January 26, 1919.

168 Congressional Record, 65-3, p. 3135.

was substituted a tax of one cent per pound for delivery in the first and second zones and a half-cent increase in all others.[169] The House remained firm in its demand for the rejection of the Senate proposal to abolish the existing zone system, and from the very outset, Simmons said, "we noticed that that particular Senate amendment had to go out of the bill."[170] In a statement to the press on February 13 the Senator further said that the "attitude of the House conferees in conference was at times amounted to coercion",[171] and that, while direct threat had not been made, the Senate conferees had been given to understand that insistance on the part of the Senate for lower second class postal rates would mean defeat of all efforts to pass a new revenue law.[172]

The last tirade against the pending bill which, according to Root, imposed "the heaviest burden of taxation and at the highest rate of taxation ever known in the history of the country, or of any country in the world," was made by the Utahian immediately before the conference report was agreed to. In his swan-song he appealed to Congress to check legis-

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169 Congressional Record, 65-3, p. 2558.

170 Ibid., p. 3137.

171 New York Times, February 13, 1919.

172 Congressional Record, 65-3, p. 3137.

later on "which may be extravagant", and made one last effort in behalf of big business. In referring to the provision imposing an 80% tax on the net income of every corporation deriving it from a Government contract, Smoot asserted that thousands of businesses would escape taxation altogether because they had no Government contracts. "It was not acted on by the House nor the Senate," he concluded, "and when I first read it I could hardly believe my eyes."[173] But the Senator from Utah was compelled to believe his eyes when the conference report was agreed to February 13, 1919.[174]

The Tariff Bill of 1919

In conclusion, it will be appropriate to give a glimpse of the great Finance Expert as a ranking minority member of the committee whose circle he had dominated for the entire period of the Wilson Administration. The most critical situation facing the Republican Congress in January 1921 was the desperate plight of the farmer who had raised his crops at peak war prices and now faced their disposition on a basis of less than the production cost.[175] Needless to say alleviat-

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[173] Congressional Record, 65-3, p. 3368.

[174] Ibid., p. 3371.

[175] Ibid., p. 3105.

tion of this distressing condition was sought by the Administration in the well-entrenched principle of the party in power--high protective tariff. Senator Simmons was thus placed on the offensive where his gracious magnanimity and able debating gained for him respect as well as concern among the "gentlemen of the opposition".

The Emergency Tariff bill presented to the Senate on January 19 by Senator McCumber of North Dakota raised three questions in the mind of the North Carolinian: first, were importations the actual cause of the slump in the price of agricultural products? second, could the taxing power of the Government be used legitimately in raising prices? and third, would not the reflex action of the remedy be more harmful in its effect on international trade relations and on the domestic consumer than the prospective benefits that might be anchored to the domestic producers? In the first place, Simmons did not believe the condition of the farmer was due to importations. As a matter of fact, he wondered if the farmer were in any worse condition than other business enterprises, although he did concede that agrarian interests had been hardest hit because of the little resistance they had offered.[176] In giving his answer for the second question, the Senator acknowledged his sympathy for the farmer but maintained the pro-

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[176] Congressional Record, 66-3, p. 3105.

posed measure was an illegal use of the taxing power.[177] A tax levied for the purpose of raising prices, he said, was putting money into the hands of the producer and forcing it from the pocket of the consumer.[178] Also, the Senator declared, such a policy would lead to international retaliation by excluding the main products which other countries exported to the United States in exchange for goods whose purchase with gold was impossible owing to war conditions.

It was this third question which proved to be the focal point for the debates, especially with respect to wheat, our chief import from Canada. Simmons disagreed acridly with McCumber on the benefit to be derived from the big duty. He pointed out that the Tariff Commission report had not been consulted when the rates were fixed,[179] and cited figures showing conclusively the weakness of the argument that producers were being raised by the influx of cheap Canadian wheat. In the case of sugar, he said, we import one-half of our consumption and a duty on it would raise the price of the half produced in the United States; but in the case of wheat we import

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[177] Congressional Record, 65th, p. 8169.

[178] Ibid., p. 8168.

[179] Ibid., p. 8171.

such a negligible quantity compared with our production and exportation that to exclude the small amount imported would have no appreciable effect on raising the price of the American product.[180]

The point which Simmons drove home was the fact that only items constituting the bulk of Canadian exports had been selected for the proposed prohibitory levy. That such a policy would lead to retaliatory legislation was indicated by a quotation from an Ottawa newspaper forecasting preferential rates on British goods if "Washington goes ahead clapping on tariffs that will injure Canada." Simmons interpreted this statement as meaning that Canada would protect herself by striking at our exports if we struck at hers. "We are inviting a trade war with our neighbor, the best friend in the world," he concluded.[181]

Though the bill contained thirty items only one, wheat, had been discussed at the close of the first two weeks of debate. The habitual charge of filibuster was immediately in order, and the accusing finger of Senator McCumber pointed to Simmons's side. True to form the North Carolinian denied the

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180 Congressional Record, 66-3, p. 3341.

181 Ibid., p. 3542.

charge,[182] although filibustering might have been altogether justifiable in the circumstances. The Republicans came to power on the promise of a reduction in the cost of living, but on the contrary, Simmons said,

> the very first piece of positive affirmative legislation offered by the Republican Party that could affect and would affect the prices of products, especially the necessaries of life, the very first measure of that kind which is presented here is a measure not by implication intended to raise prices, but by express admission and proud avowal on the floor of the Senate is proclaimed as a measure intended to increase and advance the prices, not only of a number of necessary staple food products but of the clothing which the people wear.[183]

A story[184] in which Simmons often indulged in humorous social moments might serve best in illustrating the feeling which existed among the Republicans in regard to the passage of the bill. Senator Zeb Vance of North Carolina finished a long speech one day after which a multitude of his friends gathered to shake his hands. A friend said to him later: "Senator, I know it almost killed you to have to stand there for hours shaking hands since you were already worn out from your long speech." "Yes," the Senator replied, "it almost killed

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[182] Congressional Record, 66-3, p. 2440.

[183] Ibid., p. 4036.

[184] Ibid., p. 3246.

me, but if they had not come it would have plumb killed us." And so it appeared to be in this situation: if the bill did not pass, it would almost kill the Republican senators, and if it did pass and secure the approval of the President, it would plumb kill them!

The conference report was agreed to by a majority of 13 votes the first of February and forthwith sent to President Wilson for approval or disapproval.[185] By placing a billion dollar emergency tariff upon the Nation,[186] the Republican party proposed to reduce the cost of living! Simmons felt that there were many supporting the bill who would not do so were they not sure it would never become law. Immediately before the conference vote was taken Simmons pictured the panic on the part of the Republicans "if tomorrow morning they should wake up and find that the bill had not been vetoed"; and in closing, the Senator made the prediction that "if President Wilson vetoes this measure...the Republican Party in Congress will never give President-to-be Harding, after he reaches the White House, an opportunity to sign it or one of similar import."[187]

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185 Congressional Record, 66-3, p. 4041.

186 Ibid., p. 4087.

187 Ibid., p. 4023.

CHAPTER IV

MEASURES INVOLVING FOREIGN POLICIES

Panama Canal Tolls

After the national elections of 1912 a number of new names from the West were added to the Congressional rolls. These, in a united effort with Congressmen and Senators from the South, asserted a strong opposition against Simmons's stand on the tariff, which had been an issue in his campaign for reëlection, and finally resulted in his loss of the floor leadership. There was also at this time a concerted action to prevent Simmons's appointment on the Finance Committee. Regarding this design of the opposing factions Simmons said: "As I told my constituents during my campaign of 1912, I would have resigned if this group had succeeded in their purpose."[1] Successful as the opposition was in depriving the North Caro-

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[1] Simmons Memoirs.

linion of the position as floor leader in the Senate, it failed in this second manifestation of ill-will.

The significance of this failure on the part of the jealous opposition had the unintended effect of initiating a friendship which stood as an unyielding bulwark against many an attack. Certain members of this group took it upon themselves to wait on the President for the sole purpose of denouncing Simmons's former support of the tariff on lumber and his opposition to Canadian reciprocity, and it was in response to this denunciation that the Senator appeared before Wilson to explain his votes on these issues. After the explanation, President Wilson affirmed his confidence in the Finance Expert when he said: [2] "Simmons, I think you are sound, and I am going to trust you." With these words the hopes of the opposition were destroyed, and the fight was speedily dropped.

No instance more forcefully reveals the cordial relations which existed between President Wilson and Senator Simmons than that of the Panama Tolls exemption issue. The Panama Canal Act of August 24, 1912 contained a provision exempting vessels engaged in coastwise trade of the United States from the payment of tolls, and proved to be a source of considerable contention in Congress. On March 5, 1914 an

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[2] Simmons Memoirs.

address was delivered in the House of Representatives to a joint session of Congress in which President Wilson gave his reasons for urging the repeal of this provision. Assuring his hearers that exemption was a mistaken economic policy, the President asserted that the provision was a contravention of our treaty with Great Britain concerning the canal concluded November 18, 1901. He continued:

> Whatever may be our own differences of opinion concerning this much debated measure, its meaning is not debated outside the United States. Everywhere else the language of the treaty is given but one interpretation, and that interpretation precludes the exemption I am asking you to repeal. We consented to the treaty; its language we accepted... and we are too big, too powerful, too self-respecting a nation to interpret with too strained or too refined a reading the words of our own promises just because we have power enough to give us leave to read them as we please. The large thing to do is the only thing that we can afford to do, a voluntary withdrawal from a position everywhere questioned and misunderstood.[3]

Pursuant to these remarks Simmons gave a statement to the press in praise of Wilson's address, maintaining that the Panama exemption was a policy and not a principle. Regarding the duty of Congress in its vote, the Senator further said: "If the Senate and the House fail to support the President in his proposition as outlined in his message today it seems to me that this country would be left in an unsupport-

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[3] Congressional Record, 63-2, p. 4313.

able position, especially from the viewpoint of foreign nations. I am inclined to believe that the Senate will vote to repeal the exemption clause.[4]

When the committee hearings were launched in the hope on the part of the opposition that the bill would be reported adversely or even killed in the committee, Senator Simmons was in New Bern recovering from a temporary illness. However, at the urgent request of President Wilson the Senator made his way to Washington to take charge not only of the hearings but also of the bill itself,[5] when on April 28 the Committee on Inter-oceanic Canals, of which Simmons was a member though not the chairman, began its consideration.[6] Heavy opposition was forthwith precipitated, including that of Senator O'Gorman of New York, chairman of the committee. At the first committee meeting Simmons, in the rôle of the President's chief supporter, introduced the proposal

> That the passage of this act or anything therein contained shall not be construed as waiving or impairing or affecting any right possessed by the United States.[7]

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[4] New York Times, March 6, 1914.

[5] Simmons Memoirs.

[6] New York Times, April 29, 1914.

[7] Ibid.

Senator Chilton of West Virginia, Senator Shields of Tennessee, both Democrats, and Senator Brandegee of Connecticut, Republican, gave their support to the amendment; but the opponents of repeal held out for strong language, proposing to add the clause "under treaty or otherwise" to the Simmons amendment. Senator Walsh of Montana and Senator O'Gorman proposed to substitute for repeal a procedure under which foreign shipowners, aggrieved by the favors given to American owners, might carry their case under the Hay Pauncefote treaty to trial in the Supreme Court of the United States. Although the President had formerly opposed the amendment, the New York Times stated quite discreetly that the Simmons proposal "is taken to mean that President Wilson has tacitly approved it", adding that Wilson's change of attitude was due to his wish for an early passage of the bill.[8] The hearings lasted three weeks, and according to Simmons, the results "were somewhat disappointing to the opponents..., O'Gorman among them." The Committee refused to make either an adverse or a favorable report, and it was finally on Simmons's motion that it agreed to send the bill to the Senate without any recommendation.[9]

According to the Senator himself "one of the hottest

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[8] New York Times, April 28, 1914.

[9] Simmons Memoirs.

contents that the Senate has witnessed in several years followed."[10] The Republicans were united against the bill, and the Democrats were divided. The publication of the treaty settling claims against the United States arising out of the establishment of the Republic of Panama was delayed for fear that it would stir up further opposition to encumber the Tolls Repeal bill.[11] Speech after speech was made by members of the opposition, each of which involved Simmons in long and meticulous debates. Senator Perkins vigorously opposed the bill saying he had supported free tolls in 1912 and had voted

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[10] Simmons Memoirs.

[11] Contrary to the Republican belief that the treaty would fail to get the necessary two-thirds vote, Simmons took the view that the "new treaty was the same treaty negotiated by Senator Root when he was Secretary of State." The Root-Cortes treaty of 1909, according to Simmons, was negotiated for the identical purpose of the proposed convention and merely added an "expression of regret" and an increase of American payments on Colombian accounts. In contrast with the view of Senator Perkins, Republican from California, who doubted the ratification of the treaty, declaring that to "pay Colombia $25,000,000 is to pay just $[illegible],000,000 too much," was the assertion of Senator Thomas, a Colorado Democrat and a Simmons supporter, who maintained that the United States had violated the Colombian treaty when Panama severed herself from Colombia, and therefore the United States should make reparation to the injured country for encouraging the Revolution in Panama. New York Times, April 10, 1914.

for the Hay-Pauncefote treaty. Concluding with a statement that he had attended the committee hearings, Perkins avowed that he was only further convinced by them that the law as it stood was in the interest of American shipbuilding and American seamen, and that repeal would mean disaster to navigators and ships engaged in our coastwise trade.[13] Senator O'Gorman also made a powerful speech against the Administration's measure by which Simmons realized that not only the bill was threatened but also the prestige of the President. A rejoinder was thus necessitated, and on June 3 the Senator blazed away in an earnest effort against the formidable coalitions in the Senate. Senator Simmons based his prime argument on the Wilson message to Congress of March 5[13] asserting that the discriminations of the Act of 1912 were in contravention of the Hay-Pauncefote treaty which established the so-called principle of neutralization; that is, that the vessels of all nations, including the United States and Great Britain, should have the right of passage through the Panama canal on terms of entire equality.[14]

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[13] Congressional Record, 63-2, p. 9686.

[13] See above, p. 171.

[14] Congressional Record, 63-2, p. 9717; United States Statutes at Large, 57th Congress, 1901-1903, vol. XXXII, Part 2, p. 1903-1905.

Contrary to the treaty, as Simmons interpreted it, the opposition contended that exemption from tolls of our coastwise trade through the canal did not entitle other nations to claim like exemption, basing their assertion on the decision of the Supreme Court in the case of Olsen versus Smith. Simmons, ably assuming the role of an international lawyer, denied any analogy between that case and the one under discussion. In the first place, he doubted the jurisdiction of the Supreme Court in such a controversy, adding

> but if the question here involved were justiciable by that court, and if that court had decided it in an analogous case in favor of the contention now made, Great Britain would not be any more bound by that decision than we would be bound by a decision to the contrary by the court of last resort of Great Britain.[15]

Following this technical argument, Simmons further reasoned that the merits of the two cases were in no important particular alike. The treaty of 1815, referred to in the Olsen case, applied to ships and not to traffic as the Hay-Pauncefote treaty did, Simmons maintained. That overseas vessels and not coastwise vessels were intended in the former treaty was shown by the plain language of the treaty, since reciprocal commerce in which these vessels were to engage existed between territories separated by an ocean. With this comparison between

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[15] Congressional Record, 63-2, p. 9713.

the two treaties Simmons concluded that there was no analogy or resemblance between the two cases. The Senator from North Carolina not only rebutted all former contentions by the opposition but prevented further reliance on the Olsen case.[16]

Passing from the rôle of international lawyer, Senator Simmons assumed that of a constitutional lawyer in answering the elaborate argument of Senator Brandegee of Louisiana who strenuously contended that the controverted provision of the Hay-Pauncefote treaty was null and void because it attempted to regulate interstate commerce, over which Congress, by the Constitution, is given exclusive jurisdiction. Simmons completely demolished this argument by applying the facts of the treaty to the case. That the Hay-Pauncefote treaty did not attempt to regulate domestic commerce, Simmons argued to be an incontrovertible fact since there was no provision therein fixing the rates of tolls charged against vessels of the United States. By the treaty Congress alone could impose such tolls or exempt our vessels as it saw proper, he said.

> The treaty in no way attempts to interfere with the right of Congress to do as it pleases in this matter. It merely provides that if Congress, in the exercise of its right to regulate these charges, shall decide to impose tolls upon our vessels, it shall impose no greater rate of tolls upon foreign vessels, and if it shall decide to exempt

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16 Congressional Record, 63-2, p. 9713.

our vessels it shall also exempt foreign vessels from such payment.[17]

The argument most relied upon by the opponents of repeal, however, was directed against the two foremost principles of the Hay-Pauncefote treaty, namely, the provisions for equality of treatment of all vessels and those against traffic discrimination. As a counter to the first contention Senator Simmons forcefully and effectively recalled a bill of 1900 when the Senate rejected exemption as violating equality.[18] The opposition was immediately silenced thereon, whereupon Senator Perkins charged that the British protest originated in the notion that Canada and British Columbia would be adversely affected by free tolls. As a remedy the Senator suggested arbitration,[19] this being the first indication of the forthcoming compromise. It was further contended by the opposition that our coastwise trade did not contravene the treaty because only domestic vessels could engage in that trade under our navigation laws.[20] Simmons unmercifully demolished this argument first by agreeing that foreign vessels were prohibited

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[17] Congressional Record, 63-2, p. 9714.

[18] New York Times, May 5, 1914.

[19] Congressional Record, 63-2, pp. 9626-9631.

[20] Ibid., p. 9630.

from engaging in coastwise trade, but he also pointed out, "it is equally true that vessels of practically all countries enjoy unrestricted freedom of trade in any and all ports upon our two coasts." Thus, though foreign vessels could not engage in coastal trade as such, yet at every port their trade came in direct competition with that of our own coastwise vessels. "Is it not clear," the Senator concluded, "...when both use the canal in reaching their destination, the law which this bill repeals will inevitably work a discrimination against the merchandise in the foreign vessel in favor of the merchandise in the domestic vessel?"[1]

The third contention advanced by the opposition was based on the phrase "all nations": whether this phrase as used in the guaranty of equality in the treaty meant all "other" nations, not including the United States, or all nations including the United States. The name of Secretary John Hay, negotiator of the treaty, was invoked by the anti-repealers in support of the negative argument. Declaring that he had read the diplomatic correspondence of the nations' representatives, Simmons asserted that he had found no indication to sustain this contention. The idea of equality pervaded the entire negotiations for the Hay-Pauncefote treaty, he said, and on several occasions particular mention was made of equality

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[1] Congressional Record, 63-2, p. 9714.

as between the United States and Great Britain and as between the United States and all other nations. In support of this latter argument the Senator read a letter from Rufus Choate, our ambassador, and another from Hay himself, both of which showed beyond peradventure what was intended by the terms of equal treatment of commerce passing through the canal.[22]

Senator Borah of Idaho took exception to this evidence offered by Simmons as well as to a further statement cited from William Fletcher Johnson regarding his personal interview with Hay on this question. Hay was quoted in the North American Review as saying:

> "All" means all. The treaty was not so long that we could not have made room for the word "other" if we had understood that it belonged there. "All nations" means all nations, and the United States certainly is a nation.[23]

Thereupon Simmons and Borah met in a heated debate. Borah contended that diplomatic and contemporary correspondence between the participants of the treaty was not sufficient evidence to control the modification of the treaty when he said: "I claim that we are bound by the language of the treaty, and that some man's view of what he thought it meant is not

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[22] Congressional Record, 63-2, p. 9716.

[23] Ibid., p. 9717; North American Review, May 1914.

and should not be in any sense controlling." The Senator from Idaho further weakened his argument by refusing to concede that diplomatic negotiations could be investigated when the meaning of a treaty was obscure or ambiguous. Simmons firmly rejoined by suggesting the custom of nations to preserve carefully, "as a memorial", all the diplomatic correspondence leading up to international agreements, and to preserve it so that in case of disputes, it could be used for interpretative purposes. As a matter of fact, he said, final statements of the negotiators of the treaty have been filed in the foreign offices of both the United States and Great Britain as evidence of facts and circumstances connected with the negotiations of the treaty.

> If this were not so, why were we passing resolutions here in the Senate when this matter was under consideration before the Committee on Inter-oceanic Canals, requiring the State Department to transmit to the Senate, for the use of this committee...and the Senate, all this correspondence and all of these negotiations and every fact connected with them that was reduced to writing and on file in the department, in order that we might have them for the purpose of enabling us the better to determine the meaning of these doubtful phrases?[24]

Senator Borah's rejoinder was most effective when he cited the note annexed to Clayton in the Clayton-Bulwer negotiations. This note expressed Bulwer's understanding that the

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[24] Congressional Record, 63-2, p. 9733.

words "Central America" did not include the Belize Islands or British Honduras. Though the note was repudiated by American diplomatists, it was under that duplicitous and somewhat shrewd practice on the part of Bulwer that England justified her violation of the Clayton-Bulwer treaty when she erected British Honduras into a colony in 1866.[35] With this thrust Senator Simmons became silent, the deadlock between him and Borah remaining, however, fast and secure.

Shortly after Simmons's strong defense of the Hay-Pauncefote treaty as indicated above, Senator Borah planned a clever attack on which, doubtless, he had built high hopes; and the failure of his dexterous design will serve as an elucidating factor in a clearer understanding of the Simmons-Borah bout. Borah slurringly alluded to the evidence drifted from the views of ex-President Taft by Senator Simmons when he had asserted that the ex-President doubted the right to exempt our coastwise vessels. Not being content, however, with maintaining that where there is a reasonable doubt, the doubt should be resolved in favor of the nation which is making the contention for a particular right, the Senator from Idaho continued by reading, without naming his authority, several forceful passages from a colloquy between Senators Lodge and Simmons made in 1912 in which the latter had given support

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[35] Congressional Record, 63-2, p. 9734.

to the tolls exemption. When the reading was concluded, as had been planned, Senator Chamberlain of Oregon asked by whom the speech from which Borah had been quoting and been made, to which Borah replied that he was quoting "from the distinguished Senator from North Carolina", who was now engaged in an attempt to reverse his position,[26] intimating at the same time that the "speech of 1912 remained unanswered and unanswerable."[27] Doubtless the opposition was amused and highly pleased thus far in the dramatic contest, but the cool, calm Senator from North Carolina was equal to the occasion. Making his first point of reply in defense of the alleged stand Taft had taken on the tolls issue, Simmons explained that his approval of the ex-President's position had been based on the assertion that any controversy between the two nations should be submitted to arbitration, thus indicating a grave doubt as to our right under the treaty to pass the act of 1912.[28] The Senator then drove courageously into the heart of the attack regarding his change of opinion.

In line with Borah's argument Simmons agreed to the principle that "if there is a doubt about your right to do an

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[26] Congressional Record, 63-2, pp. 2728-2730.

[27] Simmons Memoirs.

[28] Congressional Record, 63-2, p. 2751.

not which you regard as being in your interest, you have a right to resolve that doubt in your own behalf. That is not only a rule of construction but it is a rule of human action," he said. The Senator from North Carolina further stated that during the committee hearings of 1913 he was not present "because I was engaged with another matter a part of the time and was ill another part," and therefore

> when the matter came before the conference committee, of which I was a member, I was...in a state of doubt about toll exemption, but that was not the only question before the conference; there was another matter connected with this question before the conference committee in which I was deeply interested, and about which I had no doubt. That matter was the question of separating railroads from water transportation. For years since I have been in the Senate I have tried to promote legislation to accomplish this result. That was my chief concern in connection with the action of that committee and the legislation involved. The other matter was a matter which I had not thoroughly investigated, and upon which I had no maturely formed opinion, as many other Members of Congress, who then voted for the bill and conference report and have since changed their opinion upon the matter, had not thoroughly investigated it.

On the other hand, Simmons averred, in 1914

> I attended the hearings of the committee for nearly three weeks; I was present practically the whole time, and, in the light of the testimony that was presented to that committee, in the light of earnest personal study and the investigation I have made on this question, there is no longer in my

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[29] Congressional Record, 63-2, p. 9731.

> mind a question of doubt; but to my mind it is clear that the United States has not the right to exempt its coastwise trade from the payment of tolls while exacting tolls from the vessels of other nations.

And in support of his subsequent change of opinion the Senator said:

> I am not troubled because of the fact that I made a speech two years ago in support of exemption from tolls for coastwise vessels, as many other Senators did who have since changed their opinion....I am not disturbed by that fact. I change my opinion whenever conditions and situations are such as to make that change reasonable and proper. I change my opinion on any question whenever a more thorough investigation and study of the subject changes my real opinion about the question.[30]

Indeed the Carolina Senator had entirely recovered from the momentary embarrassment occasioned by the unfair charges of the Senator from Idaho; and in conclusion he firmly declared that his speech of the morning, at which time Senator Borah had been absent, had already answered the indictment.

> If the Senator from Idaho has any trouble in his mind about my attitude in this matter, I have made my speech today; I have discussed the very questions I discussed two years ago; I have discussed them with additional light--I had little light then, I have a flood of light now--and I am perfectly willing that the speech I have made today upon each of these questions to which he has referred in my

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30 Congressional Record, 63-2, p. 8731.

speech two years ago shall be taken as my answer to that speech.[31]

Thus, in short, the act of 1913 had utterly failed after two years to achieve its purpose in reducing railway rates and was now threatening the harmony of our international relations; and it was on these two considerations that Senator Simmons based his change of opinion. It would appear that it was Borah's turn to be embarrassed.

For the next week the fight looked hopeless, but Simmons employed all the strategy at his command in meeting the opposition's attacks on his party betrayal. Senator Martine of New Jersey, the home of the President, took a decided stand against the Baltimore platform which pledged the Democratic party to the wisdom of the exemption policy.[32] Declaring the repeal to be an act of "weakness and imbecility", the Senator made an impassioned appeal by maintaining such a step would "blot our boasted Americanism...and defile a page of our Nation's history."[33] Such resistence was bound to attract strong support, but Senator Simmons firmly advanced toward ultimate triumph, ever faithful to the President's trust.

On June 8 Senator Norris of Nebraska, a radical and a Republican, withdrew his rather flamboyant amendment pre-

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[31] Congressional Record, 63-2, p. 9732.

[32] Ibid.

[33] Ibid., p. 9996.

viding for an increase in the tolls against any nations paying said tolls for the vessels of their nationals either as a subsidy or otherwise,[34] in favor of a substitute for the committee amendment. Presented by Senator Simmons after a lengthy speech of opposition by Senator Poindexter of Washington, the proposal welded together a majority for the bill. The substitute read as follows:

> Provided, That the passage of this act shall not be construed or held as a waiver or relinquishment of any right the United States may have under the treaty with Great Britain, ratified the 18th of November, 1901, or otherwise, to exempt the vessels of the United States, or its citizens, from the payment of tolls for passage through said canal, or as in any way waiving, impairing, or affecting any right of the United States under said treaty, or otherwise, with respect to the sovereignty over or the ownership or control and management of said canal and the regulation of the conditions or charges of traffic through the same.

By this amendment Simmons claimed that although the United States had no right to exempt its own ships, yet as a compromise to those who held the contrary view this clause would reserve the right we might possibly have under the treaty with regard to tolls exemption. Strenuous attack was immediately instituted, and the speeches of Senators Poindexter and Mar-

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[34] Congressional Record, 63-2, p. 9751.

[35] Ibid., p. 9865.

time, and Senator Smith of Michigan occupied the Senate for seventeen hours on June 8.[36] By this time Senator Simmons had become so impatient with the prolix debating that he moved to table his own amendment.[37] However, on June 10 Cummins saw the defeat of his amendment, asserting, as it did, the right of the United States to exempt its vessels,[38] and definite progress followed. At the night session the Norris-Simmons proposal was assailed as "gold brick and delusion" while Senator Norris explained that while the amendment "did not boldly assert that the United States had a right to exempt its ships, the mere fact that it reserved whatever rights that were in existence made it a proper approach to arbitration, time and that he had in mind when he entered into a compromise with the Administration leaders."[39] Senator Borah again led the opposition debates on the dictum that it was quite a useless and unnecessary thing "to reserve a right which plainly...does not exist"[40]

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[36] New York Times, June 9, 1914.

[37] Congressional Record, 63-2, p. 10167.

[38] Ibid., p. 10174.

[39] New York Times, June 11, 1914.

[40] Congressional Record, 63-2, p. 10134.

—a view similarly expressed by President Wilson himself.[41]

The Norris-Simmons compromise, however, gained a victory in the night session on June 10, Senator Borah being included among those "not voting".[42] The sentiment prevailing among the voters was suggested in the editorial columns of a current paper when it declared

> the amendment could do no harm. It will not in the least add to the dignity of the nation, but if some of the Senators who are willing to support the bill think it will, it obviously serves a good enough purpose. It leaves the question open for arbitration of the question hereafter, and there can be no harm in that.[43]

Arbitration of the Panama Canal tolls was not pressed, however, during this session as no emergency arose demanding it. Too many important matters required the attention of Congress.

Simmons's great contribution to his Nation was completed in this particular rôle with the passage of this amendment. He took no active part in the remainder of the discussions, which included debates on five amendments proposed and urged by the opposition, except to make a parliamentary inquiry on the final day. The bill passed on June 11 by a vote of 5[illegible]

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[41] New York Times, June 9, 1914.

[42] Congressional Record, 63-2, p. 10158.

[43] New York Times, June 8, 1914.

to 35 with 10 not voting.

In the opinion of the press the tolls exemption legislation would have passed with or without the Simmons amendment because of its merit solely as a ship subsidy measure. However, in the light of subsequent investigation, this statement is subject to doubt. In the early part of June the stubborn determination of the opposition resolutely held the victorious vote within the narrow margin of three "ayes". The constructive tactics of the repealers were exhausted; something had to be done. Senator Simmons held conferences with the leaders of the opposition, and ascertained that success could be had only through the compromise gate based on a statement to the effect "that nothing in the act would impair our rights to avail ourselves of the tolls exemption in the future." Senator Sutherland of Utah gave evidence of the verity of this conviction when he viewed the Simmons amendment as a "transparent sham" declaring at the same time "that a majority of the members of this Senate believe the United States has an undoubted right to exempt its coastwise shipping from the payment of tolls,

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44 Congressional Record, 63-2, p. 10265.

45 New York Times, June 6, 1914.

46 Simmons Speech.

and having that belief we should so declare it in specific terms."[47] It was owing to this assertion and numerous others like it that Simmons saw the necessity of compromising. A conference was also held with the President who again[48] declared his unwillingness to accept the amendment; and it was only on the assurance of Senator Simmons that the fate of the bill absolutely depended upon its acceptance that Wilson finally acquiesced.[49]

However that may have been, the fact remains that having been called from a bed of sickness and having won the implicit confidence and trust of the President, Senator Simmons proved himself to be "the man of the hour", for surely none could suggest even the partial success of the bill without the earnest engineering of this most powerful of Senators.

The Shipping Industry

The shot and shell on the European battlefield of 1914 echoed in the United States by effecting a crisis in the shipping industry. Not only were thousands of American citizens abroad unable to secure passage home, but disaster was facing the agricultural and cotton interests of the entire Nation

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[47] New York Times, June 9, 1914.

[48] See above, p. 129.

[49] Simmons Memoirs.

because of the dire need of transportation facilities. The warring nations had recalled most of their vessels from commercial enterprises while those of Germany and Austria were being obliterated. Steamships registered under the American flag amounted to a very small percentage of the world's shipping,[50] thus precipitating an economic crisis in the disposal of our tremendous surpluses. It was toward the remedying of this unfortunate situation that on August 3, 1914, less than two months after the passage of the Panama Canal Tolls provision, a bill passed the House providing "for the admission of foreign-built ships to American registry for the foreign trade...", and was sent to the Senate for immediate consideration and passage.[51]

At the conclusion of the reading of the bill at the session of August 6 further progress was stayed by the sad intelligence of the death of Mrs. Wilson; but upon the roll call of the following day Senator Simmons gave a full account concerning his views upon this emergency legislation.[52] It is not surprising that the gravity of the situation facing the country was of great concern to the southern Senator, for the enormous crops of 1914, especially with respect to cotton and

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[50] Simmons Memoirs.

[51] Congressional Record, 63-2, p. 13286.

[52] Ibid., pp. 13441-13449.

tobacco, were becoming somewhat of an "asset of adversity". A foreign market for the surplus would mean widespread prosperity for the American people due to the high prices obtainable from the war conditions, but, alas, the reverse was true. The one condition necessary for reaching these foreign markets was ocean transportation, and "if we can not get this transportation and have to rely upon the domestic demand for these surplus products," Simmons said, "the price will be so adversely affected that in place of profit there will be loss."[53]

In the early discussions Senator Simmons did not commit himself definitely concerning the means of increasing our merchant marine, but he did express deep concern for the alleviation of the imminent dangers confronting the United States. Senator Williams of Mississippi took the position that the Government should acquire and operate sufficient ships to accommodate our commerce, while Mr. Martine went a step further in advocating the permanency of such a policy. But Senator Simmons was more skillful in his manoeuvers, for he was careful in his initial steps to ascertain the attitudes of the opposition before committing himself to either side. The problem pressing upon Simmons was the fact that there were $00,000,000 worth of tobacco and 0,000,000 bales of cotton available for export.[54]

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[53] Congressional Record, 63-2, p. 13441.

[54] Ibid.

Unless sent abroad, this surplus would glut the domestic market and pull down the level of prices to a point where stagnation and disaster would be inevitable should they fail to be exported.

Senator Thomas of Colorado was the first to bite at Simmons's line. Interrupting the North Carolinian in his speech of August 7, Thomas referred to the Seward maxim that "there is no customer like a great nation engaged in offensive warfare," thus indicating that Europe would soon be knocking at our doors for our cotton, corn, wheat, and the products and output of our manufactories, "prepared to pay prices which will gladden our hearts and quicken our currents of trade everywhere." When, however, Simmons interposed the suggestion of our need for ships to carry such products to the importuning nations of Europe, Thomas propounded a new idea: that the demand would bring the carriage. Thus had a common ground been found when Simmons stated his own like belief that "the necessities of Europe will compel Europeans to provide the transportation facilities necessary to get our food products." Although Senator Simmons was not insensible to the necessity of doing everything possible to furnish ships for our own commerce, yet it was his earnest hope that the extreme measure proposed by Senators Williams and Martine would not have to be resorted to.[55] Keenly grasping the inadequacy of our shipping from the desultory remarks of

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[55] Congressional Record, 63-2, p. 13441.

Senator Gallinger, Simmons very aptly charged the Republican party, which had been in power almost continuously since the Civil War, for its neglect of the merchant marine,[56] and thus quieted the constantly interrupting voice of the opposition until the foundation of his stand was securely laid.

The next knit was set for Senator Vardaman of Mississippi, the Coloradian having been brought securely into the fold, by reverting to the cotton situation which had its vortex in the lower South. By this time Senator Simmons had progressed far enough in his speech to envision the withdrawal of the merchant marine of the belligerent European countries and the disastrous consequences resulting from our inability to secure adequate transportation facilities. However, raw cotton produced a peculiar situation unlike any other product. While the demand for tobacco, wheat, and other food products would increase with war conditions, the reverse would be true for raw cotton. With the closing of many cotton mills over Europe and in the face of the enormous surplus in the United States, Simmons reasoned that "we may be compelled to protect this staple, to provide for carrying over a part of this crop to the next year."[57] Thus did the Senator anticipate a plan of withholding from the

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[56] Congressional Record, 63-2, p. 13442.

[57] Ibid.

market for a reasonable length of time the portion of the crop which Europe usually took in order to further his plea for securing transportation so as to deliver to European spindles such part of the present crop as could be utilized.

It was at this early and opportune moment that Senator Vardaman arose to express himself in favor of providing stimulation to the farmer "to sit steady in the boat" until the war clouds had drifted and cotton prices had soared upward. In his reply to Vardaman, Senator Simmons took his next definite step forward toward the increase of our merchant marine. Unlike the Senator from Mississippi, Simmons preferred, rather than to assume the war clouds to drift "sooner than we expect", to deal with the negative of the question.

> I believe if the war cloud does not roll over, if this is a long and protracted war, that many of the mills of England, Italy, and France will continue to operate and to consume our raw cotton. But we all know that war operates to curtail their activities under most favorable conditions, and to my mind we would be criminally neglectful and unmindful of our duty to the farmers and the manufacturers of this country if we did not do everything possible to safeguard their interests. The first condition to this end is to provide adequate ocean transportation! If, confronted by this condition, we sit idly by and hug the hope and the expectation...that Europe, because of her necessities, will come to our relief and take care of this situation, we shall be originally neglectful in our duty to our constituents.[56]

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[56] Congressional Record, 63-2, p. 13443.

The Senator had thus narrowed his conviction to the point of declaring it to be the duty of Congress to do something rather than to rely upon a European situation which did not even exist. It was his first definite step toward favoring Government operation of a merchant marine. Though he had hoped this measure would not be resorted to,[59] yet he did not fail to uphold it in the event ships could be had in no other way. That the war was a great opportunity for American textile mills, Simmons did not discount. "Given the factories and the money to operate them and the ships to carry their products to the neutral markets of the world," Simmons believed that the mills of the United States would manufacture "the bulk of the raw cotton we produced," and, he added, "the coming of that time will be greatly hastened if we shall take advantage of the opportunities this situation affords."[60] Simmons did not fear the closing down of European mills as did Senator West of Mississippi; his fear regarded the curtailed activities if transportation were cut off to Europe--a fact evidenced by the recent impressment of the foreign merchant marine into war service.[61]

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[59] See above, p. 194.

[60] Congressional Record, 63-2, p. 13443.

[61] Ibid., p. 13444.

From the foregoing discussion the conclusion is obvious that sentiment on both sides of the Senate was divided on details and not on the ultimate aim of the bill. Simmons was not disposed at first to state boldly his stand. The faction for Government ownership and operation was no stronger than the one advocating Government purchase and subsequent leases. Simmons, however, was cautious in taking his stand with the former. Both sides were agreed upon the general theme of giving aid to the shipping industry, but suggestions for its actual increment were as legion as they were varied. Senator Gallinger held that no ships would be brought under the American flag even if the bill were passed, because since the passage of the Panama Canal act, allowing American registry to ships under five years old, not a ship had been bought and registered.[62] Simmons blamed this on the comprehensive Shipping Trust which maintained a fighting fleet to destroy by undercutting in prices every independent vessel engaged in foreign trade; but, Simmons convincingly averred, these ships owned by the trust are tied up during this emergency, and their monopoly is broken. With the removal of this five-year age limit as provided for in this bill, Simmons believed that ships would be bought and brought under American registry, thus

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[62] Congressional Record, 63-2, pp. 13377-13378.

increasing the merchant marine.[63]

The essential point of argument, however, in which the opposition put their trust was the trouble with foreign countries in which we would be involved as a result of this measure. These registered ships would be seized on the high seas and the American Government would have to rescue them--a situation which would involve us in war, they contended. Simmons, however, taking his stand on the qualifications as settled by the London conference on the right of a neutral to buy a belligerent's ship,[64] struck this argument a death blow by maintaining that an American citizen could purchase a ship anywhere in the world and place it under the American flag. The Senator further maintained, citing Taylor's International Law, that the registry of a vessel had absolutely nothing to do with the protection by the United States provided it were flying the American flag. Thus, regardless of the passage of this act, international trouble could arise whether the vessel were registered or unregistered.[65] The obligation of the United States toward a ship flying the American flag is only to show that the transfer to American ownership was bona fide

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[63] Congressional Record, 63-2, p. 13444.

[64] Ibid., p. 13373.

[65] Ibid., p. 13444.

and to see that the ship secures a fair trial in the prize court, Simmons said.[66] When Senator Brandegee suggested the superfluity of the legislation if a vessel could get protection of the Government whether registered or not, Simmons reminded him that an American ship, unregistered, could not trade in any of the ports of the United States.[67]

It was also owing to this fear of European entanglement that Senator Smoot favored the Saulsbury amendment which required the majority of the stock of a corporation owning ships to be owned by American citizens,[68] although the Senator had formerly declared he was not opposed to the bill as it was presented.[69] Senator Cummins of Iowa added his support to the amendment conjoining himself with Senator Smoot, for, he said, "if no ship can be bought in this emergency save by an American citizen, and with his own capital, and if by a corporation, then by a capital the greater part of which was furnished by Americans, we will not offer this temptation for a foreign ship to...transfer basic ownership to American hands

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[66] Congressional Record, 63-2, p. 13581.

[67] Ibid., p. 13445.

[68] Ibid., p. 13506.

[69] Ibid., p. 13445.

and then seek a neutral registry."[70] Simmons opposed the amendment because of its modification of a law of 1846 providing for the right of an American corporation to obtain American registry regardless of the nationality of the stockholders. He further maintained that no instance could be given in which a majority of the stockholders in the corporations of this country have not been Americans, "and I do not suppose there will be hereafter," he added.[71] Simmons firmly believed that if the bill passed it would be "the entering wedge to a revival of the merchant marine."[72] Senator O'Gorman of New York joined in with Simmons, lending his support to the charge that the amendment would defeat the very purpose of the bill--that of building up the merchant marine.[73]

Strong as the opposition was, Senator Simmons made his most noteworthy contribution to the bill in the decisive part which he played in the defeat of the Saulsbury amendment. His reasoning and logic were majestic.

> When we are trying the mails to get more ships to come under American registry, I can not see why

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[70] Congressional Record, 63-2, p. 13507.

[71] Ibid.

[72] Ibid., p. 13444.

[73] Ibid., pp. 13578-13581.

> we should change our laws that have been in effect more than half a century, that were reaffirmed by the Congress of the United States within the last two years when it passed the Panama Canal act, and prescribe this limitation upon the power of an American corporation to purchase a foreign-built ship. I can see no necessity for it,...and I think it would greatly reduce and curtail the benefits that are likely to accrue to the country in this situation from the passage of this bill.[74]

In the subsequent debate with Senator Cummins, Simmons further pointed out that this act would become permanent law, removing the limitation imposed by the Panama Canal act. "The point I am making," he said, "is that we ought not to make it more difficult than the present law makes it for these foreign ships to come in, because if we do then the inducement we offer for them to come will not be of avail and the probability of their coming in to meet the emergency will be diminished."[75]

On August 8, the Smalsbury amendment was rejected[76] only to be supplanted by a second proposal placing corporations of stockholders in the precise position that individuals would be, that is, all registered, foreign-built vessels shall

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[74] Congressional Record, 63-2, p. 13507.

[75] Ibid.

[76] Ibid., p. 13523.

be the bona fide property of American citizens.[77] Senator Pittman of Nevada vigorously upheld this amendment on the ground that some restriction should be placed on foreign stockholders since the present law imposed none, lest international complications should arise out of the foreign stocks. Simmons wholly discounted such a possibility when he said:

> There is hardly any other country that I know of which makes--certainly Great Britain, which is the greatest shipping country in the world, does not make--any such requirement as that....As a matter of fact, a great many American-owned corporations are to-day flying the British flag, and probably every dollar of their stock is owned in this country. That is true of the United Fruit Co.... It is an American corporation, and yet it flies the British flag.[78]

Simmons further defeated the second amendment offered by Senator Saulsbury of Delaware by pointing out that an application by an American citizen for the right to hoist the American flag over a foreign-purchased vessel owned by him, "the Government, anxious to protect itself from any possible complications, required its consuls abroad to make a very careful inquiry and investigation--and that is specified in the instructions sent to consuls--as to whether the transaction is really a bona fide transaction...." This is done, the Senator said,

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[77] Congressional Record, 63-2, p. 13577.

[78] Ibid., p. 13578.

that the obligation of the Government may extend no further than "to seeing that in the event of capture if the bonafides of that transaction are called in question, if the right of that ship to fly the American flag is called in question, and the vessel is seized and taken before a prize court, it gets a fair trial." And in conclusion he said:

> ...that being the entire extent of our obligations, the peril being thrown upon the ship owner, the ship owner being required to see that he complies with international law at his peril, I do not see the danger which the Senator points out; but I do see, Mr. President, that if we shall say that all the stock of these corporations shall be owned by American citizens, a great many ships that are now flying the American flag will have to give up their registry, and I do not see that the possibility of acquiring ships to sail under the American flag to meet the present emergency will be greatly diminished.[79]

Again Mr. Saulsbury and his line-up, who had appealed for building up the merchant marine by American citizens only, were overwhelmed by the powerful arguments of the Senator from North Carolina, the amendment being rejected by a margin of twenty votes.[80]

Shortly after the passage of the Ship Registry bill

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[79] Congressional Record, 63-2, p. 13580.

[80] Ibid., p. 13593.

on August 1,[81] a conflict arose with regard to penalties imposed by our tariff upon foreign-built vessels owned by American citizens. On March 3, 1915 a bill was introduced into the Senate and passed[83] giving opportunity for these ships to come in to an American port where they could register without penalty upon first entering. Senator Simmons favored the passage of the measure.

> A citizen of the United States the said ... can purchase a vessel anywhere in the world, and by taking it to a port where we have a consul obtain a certificate and place upon it the American flag. That ship is entitled to the protection of the United States and can trade in all the ports of the world as other ships may; but under this tariff provision, if it comes into a port of the United States it is liable to these discriminating tonnage duties and also liable to a forfeiture of its entire cargo.[83]

During these discussions it gradually became clear that the government would have to intervene and participate in the shipping business. This could be done through a government-owned corporation, and in August 1914 McAdoo and

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[81] Congressional Record, 63-2, p. 13830.

[83] Congressional Record, 63d Congress, 3d Session, (cited hereafter as Congressional Record, 63-3), p. 5349.

[83] Ibid.

already drafted a plan which Wilson approved. A group of senators and congressmen were called into conference at the White House where the plan was laid before them and approved in general terms.[84] When it was introduced into the House on August 24, 1914, swarms of lobbyists representing shipping concerns and their financial agents descended upon Congress expressing their decided opposition to Government participation in the shipping industry. On August 30 J. P. Morgan called on the secretary of the Treasury to oppose the purchase of ships or the construction of them by the Government.[85] Others declared such a Government program would be socialistic and ruinous. "What they meant," said Simmons, "was that it would interfere with their unreasonable, almost extortionate, profits. In fact, they would have preferred not to have any more shipping built, whether by the government or private enterprise."[86]

In December 1914 a ship-purchase bill was introduced into the Senate by Senator Stone of Missouri "to authorize

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84 McAdoo, Crowded Years, pp. 304-305.

85 Ibid.

86 Simmons Memoirs. The secretary of the Treasury expressed a similar feeling when he said: "The actual basis for the antagonism to the shipping bill was that it threatened the enormous profits of the shipping concerns, but the opposition could not possibly acknowledge such a reason, as it would have destroyed their standing with the public." McAdoo, Crowded Years, pp. 303-304.

the United States acting through a shipping board, to subscribe to the capital stock of a corporation to be organized...to purchase, construct, equip, maintain, and operate merchant vessels in the foreign trade of the United States." It was referred to the Committee on Commerce and reported without extended consideration or discussion.[87] On January 4, 1915 its consideration was begun in the Senate where the bill met the unanimous opposition of the regular Republicans and a few Democrats such as Bankhead of Alabama, Vardaman of Mississippi, Hitchcock of Nebraska, and O'Gorman of New York whose plan it was to delay the vote by a filibuster until after the adjournment of Congress.[88] Averring the bill to be important for two reasons, namely, because it involved the expenditure of a vast sum of money at a time when deficits were being made up by a war-revenue tax, and second,because it embarked the Government on a reversal of its former principles, the opposition met the charge of filibuster by declaring that serious attention was not being given to the bill as it was discussed by them.[89] Senator Root of New York was the spokesman for the opposition. On January 25, 1915 he emphasized the import-

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87 Congressional Record, 63-3, pp. 2208-2209.

88 Simmons Memoirs.

89 Congressional Record, 63-3, p. 3209.

ance of the bill in putting the Government of the United States into a business venture that was unwarranted and unnecessary, charging that it was not receiving the kind of discussion which it merited. He further declared that Senator Stone had given notice on January 4 that discussion of this ship-purchase bill "on this side of the aisle would be regarded as improper and obstructive." According to Root, Senator Stone made the assertion that enough votes were already available "unless it is prevented from coming to a vote by improper or obstructive tactics."[90] Nor did Senator Root question the truth behind this statement, for he later confirmed it himself.[91] In conclusion Senator Root assailed the Democrats for their conspicuous absence during the discussions "of this great and novel measure", and charged Senator Williams of Mississippi, who had been absent himself during the speaking, with having the disrespect to tell the Senate that the speeches of the opposition "were not worth listening to".[92]

Senator Simmons, arising to correct an "unintentional and misleading statement of the Senator from New York", did

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90 Congressional Record, 63-3, p. 3208.

91 Ibid., p. 3210.

92 Ibid., p. [illegible].

not directly deny the charges which flowed so freely from the lips of the opposing ranks, but declared himself to have been in the Senate "as much as any other Senator in this body".[93] Indeed, the Senator later recalled having spent several days in the corridors and cloakrooms of the Capitol in a vain effort to counteract the filibuster.[94] "There were," he said, "as many Senators on this side of the Chamber while these speeches were being made as there were on the other side." Speaking of Senator Root, Simmons concluded:

> I do not believe the Senator's criticism of the absence of Senators on this side is any more just than a like criticism of the absence of Senators of the other side....My recollection is that the Senator from New York was present but a very short time, a very small portion of the time while Senators of the Republican opposition occupied the floor.[95]

Thus was the ball passed between the two Senators, Root intimating that Simmons must have worn an invisible coat if he had attended the Senate session, while Simmons defended the Democratic party which was being charged with the conspiracy of silence.

Again as spokesman for the opposition Senator Root

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[93] Congressional Record, 63-3, p. 3209.

[94] Simmons Memoirs.

[95] Congressional Record, 63-3, p. 3209.

referred to the sponsors of the bill as being the secretary of the Treasury, postmaster general, and the secretary of Commerce who were to receive the $40,000,000 appropriation for the purchase or building of the ships. Reading from the testimony of Mr. McAdoo, Root further emerged the secretary's admission that the business was to be conducted at a certain loss. Senator Simmons, however, having read that testimony "very carefully", was ready with an immediate rejoinder: "There is nowhere, I think," he said, "in the testimony anything that could be construed as a statement...that there would be a loss upon the entire operation."[96] It took but one pertinent question from the potent resources of the North Carolinian to put a quietus on the New Yorker.

> The Senator says it is proposed that the Government shall go into a losing business. Does the Senator see any particular difference between the Government going into a losing business and the Government inviting private citizens of this country to go into what is admitted to be a losing business with a guarantee that by subsidies that loss will be made up out of the Treasury of the United States?[97]

Though the Senator from New York saw "many differences", yet he declined to suggest one!

At the close of the session of January 25 Senator Sim-

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[96] Congressional Record, 63-3, p. 2310.

[97] Ibid., p. 2311.

none took advantage of the profane denials on the part of the opposition with regard to filibustering by proposing to Senator Gallinger of New Hampshire, the leader of the opposition, that a date be set for a vote on the measure. The Senator from the Old North State had ventured too many a Republican storm not to recognize the tantalizing clouds. The barrenness of the objection as offered by Senator Gallinger did not fail to resound the motives of the oppositional ranks. With this self-indictment it was left only for the Senator from North Carolina to say, "Mr. President, I think nobody in the country seriously doubts that it is the purpose of the other side to continue this discussion until the 4th of March if that is necessary to prevent a vote." Simmons further met the refusal by declaring that neither he nor those on his side would join in the discussion until such an agreement were entered.[98]

Thus were Senator Simmons and his associates thrown on the defensive. A deadlock was reached which no power availed in breaking. The defense mechanism of the Democrats lay in their silence on questions pertinently propounded by the filibustering opposition, but nothing was gained thereby. Simmons's contributions to the debates took the form of righting certain wrongs and unjust charges imposed by the offensive

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[98] Congressional Record, 62-3, pp. 3227-3235.

in their vigorous attacks. Senator Root suggested that the legislation was an instrument enabling the Government to buy the belligerent vessels interned in our waters and that the main purpose of the legislation was to get these ships at the low price for which they could be bought.[99] Simmons, however, repudiated the whole suggestion by pointing out that this bill and the Ship Registry bill had no relation whatever. In conclusion the Senator said:

> I think I can say, and I think I can say it truthfully...that when the Senator from New York says that the effect of this legislation will be, not to buy ships, but to buy a Quarrel, he impugns the high standards as a friend of peace--peace upon this continent and peace throughout the world--of the man who sits in the White House, and who will have control of this business. He has not received any Nobel prizes as a friend of peace, but his record during the last few months, his record since the Old World was engulfed in war, has been a record of peace, a record of conciliation, the record of a man who no longer to-day sees his countrymen and his country at peace with the world that he could submit to what possibly others not so inclined toward peace would not have submitted to. I am sure no man who is familiar with this man's record, no man who appreciates his purpose and his efforts in behalf of peace, will [illegible] legislation that might result in the purchase of a Quarrel.[100]

It may well be said in passing that the Senator from North Carolina never reached a greater height than that afforded

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[99] Congressional Record, 63-1, p. 3811.

[100] Ibid., p. [illegible].

by his ever warm and glowing thoughts of the Man in the White House. Well did he know the strength of this foundation when he built his argument upon it: "If this legislation passes, none of those interned vessels will be purchased until it has been first ascertained, in the proper way and through the proper channels, that the purchase of the vessel will not lead to war or to entanglements out of which war might be evolved."[101]

As a further stumbling block to the passage of the bill Senator Lewis of Illinois joined in with Root in assailing the passage of the Ship Registry legislation. Pointing out the transference to the American flag of both English and Belgian ships, Simmons averred the "purchase of these ships stands upon no different basis than the purchase by the proposed corporation of a ship that may now be flouting the English flag or Belgian flag, with a view of transferring the vessel to the American flag."[102] The Senator further emphasized his point that there was no limit to the right of an American citizen to buy a ship from anyone by requesting the printing of the recent legislation which was so heavily under Republican bombardment.[103]

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101 Congressional Record, 63-3, p. 2228.

102 Ibid., p. 3347.

103 Ibid., p. 3346.

Senator Simmons was a strong supporter of the furtherance of our trade relations with Latin American. Early in the discussions Senator Burton, noteworthy for his tireless opposition to river and harbor appropriations, and Senator Simmons entered into a debate in which the former asserted the insufficiency of cargoes to fill the boats already running directly between the United States and South American. Simmons very aptly countered the Senator by asking if vessels plying between the United States and Europe did not have "a good deal of unoccupied space" as well as those plying between the United States and our southern neighbors. Citing lead and iron as examples Simmons contended that a vessel loaded to its capacity in weight would still have unoccupied space. And in conclusion he said:

> I hope very much if this bill passes that we will have a regular line controlled by the Government between here and Brazil....The lack of trade that there is between this country and these great countries to the south of us is because of the lack of adequate transportation.[104]

With the advent of February it was not difficult to foresee the impending success of the Republican filibusterers. Senator Sweet spoke for eleven and one-half hours without a pause on one occasion, while on another Senator Burton

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[104] Congressional Record, 63-3, p. 1763.

of Ohio barked vociferously against the purchase of ships for thirteen hours. According to a hearer of the latter speech: "It looked...as if he [Burton] had started his mouth to talking and then had gone away and left it on the job." Senator Gallinger, also discoursing on the iniquities of the bill, ran out of data in a couple of hours, but he continued to talk for five hours more on topics of current interest. On the evening of February 8 cots were placed in the Senate cloakrooms and corridors on which the senators stored while the stream of words went on. The Senate on this occasion was in continuous session for fifty-five hours and eleven minutes--the longest session in the history of Congress.[105] It was a success from the Republican standpoint; the filibustering prevented the Democrats from bringing the bill to a vote.

The defeat of the measure in the third session of the Sixty-third Congress only served to delay the enacting of legislation which was ultimately bound to come at a cost to the nation of millions upon millions of dollars. "Ships could have been bought in the late summer of 1914 at about forty dollars per ton. Two years later they could hardly be purchased at five times that amount."[106]

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[105] McAdoo, Crowded Years, p. 308.

[106] Simmons Memoirs. McAdoo, Crowded Years, pp. 307, 315.

The legislation proposed in August of 1914 was not passed until August 1916! On July 19, 1916 Senator Simmons reported from the Committee on Commerce a bill "to establish a United States shipping board for the purpose of encouraging, developing, and creating a naval reserve and a merchant marine to meet the commercial requirements of the United States...."[107] The bill was thereupon placed on the calendar, and on August 9 the Senate proceeded to its consideration. Owing to the hot weather little attention was given to Senator Simmons when he began speaking on the measure to a "listless, apparently indifferent Senate--if the collective term may be applied to a few hot elderly gentlemen in Palm Beach suits and other semi-tropical garb."[108] Attendance was so small that the Sergeant-at-arms was sent out to entice a quorum during the interim of which Senator Penrose moved that the Senate adjourn. The Penrose motion was, however, withdrawn when Simmons indicated his statements were to be but a repetition of those made two years ago.[109] Thereupon "most of those present took Mr.

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[107] Congressional Record, 64-1, p. 11273.

[108] New York Times, August 10, 1916.

[109] Congressional Record, 64-1, pp. 11340-11341.

Simmons at his word and there was an exodus to cloakrooms."[110]

In his speech to the vacant benches Simmons emphasized the utter neglect of the commercial interests of the Government. He pointed out that

> for 50 years we have been absolutely dependent upon foreign Governments, chiefly our competitors in foreign trade, for our deep-sea transportation. The greatest, the richest, the most prosperous Nation upon the earth, with the greatest foreign trade of any nation upon the earth...we are...dependent for our over-sea transportation upon our foreign competitors, and have had to go to them to buy our transportation, not only to their markets, where they sell it to us upon fairly equal and fair terms,...but we have to go [illegible] them for transportation to the neutral markets....[111]

Simmons accounted for the small share of the trade which the United States had with Latin America as being due to the fact that we must buy our transportation from Europe. Great Britain, France, and Germany, he pointed out, were supplied with magnificent lines running on regular schedules "with preferential rates as compared with ours, having by the very process of discrimination, by the very fact of our dependence upon them for our transportation, practically closed these markets to us."[112]

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110 New York Times, August 10, 1916.

111 Congressional Record, 64-1, p. 12342.

112 Ibid., p. 12343.

Since the defeat of the bill of 1914 there had been sudden and rapid growth of sentiment in the nation in favor of preparedness against German aggression and therefore the passage of the bill of 1916 was well-nigh assured by the impending crisis. A second fact which caused the comparatively easy passage of this latter measure was the compromise effected with the opposition in regard to the Government operation and purchase provisions. Radical and conciliatory changes were strongly supported by Senator Simmons both in the committee and in the Senate in order to insure the bill's success. The North Carolinian's influence is inestimable in effecting these compromises and changes, and thus did he contribute ostensibly to the final passage of the bill.

> We have practically made it impossible [Simmons said] for the Government ever to operate any of these vessels,...provided that private capital, in its great anxiety, as we are told, to get into the shipping business, will buy or lease ships from the Government, which they will be able to do as cheaply as they can get them built or purchase them in the open market, and probably cheaper. We have absolutely eliminated all grounds of objection to the purchase clause. The power of purchase is so circumscribed that it does not amount to anything. So we have certainly met all the objections.[113]

The bill gained a solid Democratic vote of 32 against 31 Republican votes on August 16, 1916, seven months after

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[113] Congressional Record, 64-1, p. 12343.

which the United States entered the war, and the Government had to pay appalling prices for everything that had to do with the shipping industry. On the other hand, in 1914, hundreds of the interned ships of the Germans and Austrians could have been bought almost at our own figure.[114] Had the voice of Senator Simmons been heeded in the deliberations of 1914 millions of dollars of indebtedness would have been obliterated as well as two years of arduous labors against strenuous opposition.

It is often true that the child of one's own creation, becoming imbued with power, forgets its creator, and so it was with the life of the Shipping Board actually created by Senator Simmons. At the close of the World War, Senator Simmons was not unmindful of the original purpose of the profuse legislation on the shipping industry: that towards the building up of the merchant marine. Simmons believed the opportune moment had come for the realization of a dream which had been his for the past six years, but his reverie was broken in February 1920 when news arrived that the Shipping Board was selling not only the smaller vessels acquired as a result of the war legislation, but also had proposed to sell the thirty large vessels acquired from Germany. If this policy were carried out it meant the disposal of every passenger ship in the service of the United States. On February 13 Senator Ashurst of

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[114] Simmons Memoirs. McAdoo, Crowded Years, p. 316.

Arizona offered a resolution to stay the hand of the Shipping Board in the matter of the sale of these ships until the Government could settle on some policy with reference to them.[115] Simmons supported the resolution declaring that if these vessels were turned over to private individuals, this gradual disintegration would leave the Government without any binding condition as to whether they would fly the American flag and without condition that the Government could convert them to the use of the Navy should they be needed.[116]

Senator Smoot considered it inadvisable to sell our vessels to Great Britain as was proposed, when she could not even pay the interest on the bonds due the United States; but Simmons placed the emphasis of his argument unyieldingly upon the building up of the merchant marine and was not to be diverted therefrom. "My theory," he said, "is that the Government of the United States is in capital position just at this time to complete this merchant marine, to build and commission enough cargo ships and enough passenger ships to make a well-balanced, well-rounded merchant marine, worthy of the greatest nation on the earth." The Senator further made it clear in a few cogent sentences that the corporations offering to buy the

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[115] Congressional Record, 66-2, p. 2633.

[116] Ibid., p. 2634.

thirty German ships had no intention of building vessels to increase our merchant marine. "Has a single one of them offered to buy any of the plants that the Government created during the war at a cost of millions?" he asked. Then, he concluded, if ships are sold into private hands

> then the great plants which the Government has built are going to be junked, shipbuilding in this country is going to come to an end. Many of the ships that have already been built will go under a foreign flag, and in the end we will find that with all the expenditure of money and all this talk about the establishment of an American merchant marine our merchant marine will have disappeared and we shall have none.[117]

With the passage of the Ashurst resolution Senator Simmons evinced his disappointment at the attitude taken by the chairman of the Shipping Board who made it clear that the Board would continue the sale of ships unless stopped by injunction or an act of Congress. Realizing the critical situation culminating from opposite policies of Congress and the Board, Simmons expressed his opinion that the latter ought not to feel aggrieved when Congress requested them not to proceed further until opportunity had been had regarding the formulation of a Congressional policy. Nor did the Board feel aggrieved. On March 23 Simmons read several telegrams indicating that the sales had not stopped. However, upon the assurance of

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[117] Congressional Record, 66-2, p. 5834.

Senator Jones of Washington and Senator Moffary, a member of the committee, that only the small vessels were being sold, Simmons witnesses his objection, adding,

> If the Shipping Board, in advance of action by this body, proceeds to sell any ship that is properly a part of our merchant marine, for the purpose of engaging in our foreign trade, I am in favor of calling them strictly to account and demanding that they shall withhold action with reference to this property of the United States until Congress shall have acted....[118]

On April 25 the Shipping Board was assailed again by Senator Simmons for its refusal to allot the South its share of ships, while giving private industry "plenty of ships". "Why are we denied ships," he asked, "when I am informed that recently forty ships have been allocated to private firms to do our business?" The Senator was a strong defender of his Southland as he shouted "the South is still a part of this country," at the same time pounding the table around which the members of the Board sat![119]

By May 10, 1920 Senator Simmons's dream for the promotion and maintenance of a merchant marine was about to be realized. In his support of the bill introduced on that day for

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[118] Congressional Record, 66-2, p. 4677.

[119] New York Times, April 25, 1919.

this purpose, Simmons emphasized the advantages which the bill secured with respect to our trade with the Philippines. If these Islands must rely on other vessels than our own, he argued, those who own the ships will drive the trade to Europe and not to the United States.[130] Thus if Great Britain wanted the Philippine trade she would naturally take it to her own ports at a less rate than she would bring it to our own. "We can not give the people of these islands a fair opportunity to trade with us," Simmons said, "and we can not enjoy a fair opportunity to trade with them, because they buy their transportation from other countries that are interested in diverting traffics from this country to their own, and that will continue."[131] That the bill did not assume for the Government any obligation to establish lines between the United States and the Philippines unless private individuals failed to do so, Simmons emphasized, for the purpose of the bill, he said, was to induce private capital to invest. "It is the hope of the committee that by extending our coastwise laws to the Philippine Islands...we will be able in a short time to build up a trade sufficient to justify private capital in investing in that enterprise." If private capital failed, however, Simmons declared the Govern-

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130 Congressional Record, 56-2, p. 6812.

131 Ibid., p. 6814.

ment should make such investments whether at a profit or a loss. Simmons devoutly believed that the passage of the bill would bring to this share of the Philippine trade to the United States.

On May 20 an amendment was introduced to prevent ships owned by the Panama Corporation, which was Government owned, from competing with privately owned ships. The amendment was sent back to the committee by Simmons, however, for the purpose of making clearer its meaning as it was stated. Eleven days after the Senate had begun consideration of the bill, it was passed (May 21, 1920),[133] and Simmons was appointed a conferee.

In viewing the United States merchant marine of today commercially engaged as it is on an equal basis with the greatest of maritime nations, it is with humble gratitude that we reflect upon the dauntless intrepidity of this great dreamer who labored with tireless energy toward the fulfillment of his hopes.

"The Heart of the Covenant"

"If an agreement can be made making war impossible, or even greatly lessening the possibility of war, it would be the

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[132] Congressional Record, 66-3, p. 6513.

[133] Ibid., p. 7[illegible].

greatest one event that has happened in the history of the world for ages."[134] No utterance resounded through the Senate halls during the session of the mid-summer of 1919 which better expressed the dream of Wilsonian Democracy than that of Senator McKellar of Tennessee as quoted above. The eyes of the world were fixed on the deliberations of the similar body of the United States Congress as it faced the unparalleled crisis of history. The battlefields of Europe were divested of their dead, and [illegible] guns; but the "fire and blazing armament" of the peace treaty with Germany was yet to create a political upheaval unmatched by the world's great [illegible] as it [illegible] the Versailles conference and [illegible] the hopes of the nations on universal and eternal peace.

The discordant note was struck when Senator Lodge of Massachusetts made a sudden attack in opposition to the Covenant of the League of Nations, an integral part of the proposed treaty with Germany. The only criticism, the only objections, the only fight came from this senator and his [illegible] who were woefully divided among themselves. Some were altogether opposed to the treaty in the form submitted; others were in favor of amending it; others were in favor of qualifying clauses.[135]

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[134] Congressional Record, 66-1, p. 3038.

[135] James D. Richardson comp., Messages and Papers of the Presidents, XVIII, 8754.

Senator Simmons took very little part in the discussions growing out of the treaty and the Covenant in the first session of the Sixty-sixth Congress. "My only communications with reference to the latter subject have been expressed in private conference with my colleagues on both sides of the Chamber," he said.[126] That does not mean to say, however, that the Senator was altogether silent in expressing his opinion regarding the treaty, even though his mature judgment was not as yet formulated.

On July 7 the question arose concerning the implications involved should the United States desire to go out of the League after having once joined. The United States can be compelled to fulfill her obligations by war before going out of the League, McKellar declared. Simmons, however, disagreed, asserting that if a majority of the League should vote our non-fulfillment and we should withdraw anyway, that it would raise a question to be submitted to arbitration and thus be a cause for war. He said: "I think it refers only to disputes that arise between nations with reference to relations with each other, not to disputes that arise between a member and the league itself."[127]

By September the heated conflict between the Senate faction, as represented by Senator Lodge and Senator Simmons,

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[126] Congressional Record, 66-1, p. 5015.

[127] Ibid., pp. 3028-3029.

had matured the prevailing diverse sentiments along more definite lines. National sentiment too was beginning to find expression in the deliberations of the body.[128] On September 6 Simmons attacked a statement in the Washington Post as "unauthorized and flagrantly" misrepresenting his attitude with respect to the League of Nations treaty. Expressing himself as being in favor of the treaty and the League Covenant as it was originally presented in the Senate by the President, without amendment or reservation, the Senator believed it was of the highest importance to this country and the world that it should be ratified without further delay. Simmons was not unaware, however, even at this early date, "that some concessions in the way of reservations will have to be made to secure its ratification" and that a compromise might be available "between those who favor the treaty without reservation and those who are in favor of it with conservative reservations of an interpretative character."[129]

With the opening of the second session of Congress the controversy moved rapidly toward a clashing of swords, this time being centered around Article ten which, according to President Wilson, was the "heart of the Covenant". The President stood as firmly for the Article preserving as it did the terri-

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[128] Congressional Record, 66-1, pp. 6313, 6438.

[129] Ibid., p. 6315.

torial integrity and political independence of all the member nations, as the irreconcilables and reservationists persisted in the restriction "to some extent" as provided for in the Lodge amendment. Senator Borah, perhaps the most arduous of the irreconcilables, advocated action without any modification in the President's stand. "That the President maintains an uncompromising attitude toward what he terms 'nullifying reservations'" was indicated by Borah in commenting upon the proposed call of Senator Simmons at the White House "to ascertain whether the President will modify his plan."[130] As a matter of fact the New York Times did state in its headlines, "Simmons Poses as Senators' Envoy" and indicated in its columns that Simmons had a mission to President Wilson to discuss the treaty in order to emphasize the necessity of reservations to him if the treaty were to pass the Senate.[131] Simmons, however, tactfully, denied that he had interviewed the President on any such mission as to use his influence for the Executive's support of the Lodge amendment or reservation which seemed to be implied in the nature of the opposition.[132]

The climax of dissatisfaction came on March 12 when the

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130 Congressional Record, 66-2, p. [illegible].

131 New York Times, March 6, 1920.

132 Congressional Record, 66-2, p. [illegible].

Senate began its consideration of Reservation Number Two which applied to Article ten of the treaty. Senator Lodge made clear it was to prevent "the imposition of this League unprotected on the United States" Introduced a modification which served as a stick of dynamite to the glowing embers of the opposition. Tumultuous protest arose from both Democrats and Republicans until the actual authorship of the Lodge amendment was debated. So many were concerned in its protection that Senator McCormick of Illinois declared its parentage would remain forever in doubt, adding "perhaps the Senator from North Carolina begot that which the Senator from Massachusetts has brought forth." The situation became more and more acute, and the subsequent proposals made by the concerned body of senators did anything but mitigate the evils thereof.

> As many different modifications of the reservation on article 10 have been suggested that both count and authorship have been lost could the New York World, the organ of the Administration and supporter of the Covenant. After a whole day of whispering, wheedling, and supposing, the net result was a feeling that whenever a variation of phraseology in the reservation gained a vote for the compromise it lost a Republican.

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133 Congressional Record, 66-2, p. 4335.

134 Ibid., pp. 4810-4811.

135 Ibid., p. 4818; New York World, March 21, 1920.

Three days after the Lodge proposal, Senator Kirk of Arkansas offered a substitute to the pending amendment of the Senator from Massachusetts. This substitute altered Article ten by prohibiting the use of force in fulfillment of the pledge to maintain in the Article, namely, that of guaranteeing the territorial integrity and political independence of the League members. Simmons gave it his whole-hearted support on the Senate floor, but all to no avail. It was rejected by a vote of 44 to 35.[136]

Having formerly expressed himself as being solidly opposed to the reservations as proposed by the Foreign Relations Committee, Simmons was ready for the ensuing fray. "Some of these reservations," he declared, "are in substance and existence amendments which would radically change the scope and character of the instrument emasculating some of the main provisions of the League and would call for reconsideration by the Peace Conference."[137] Having been defeated twice so far, once by the evident failure of his visit to the White House and subsequently in the rejection of the Kirk substitute, the Senator was all the more determined in his third effort

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[136] Congressional Record, 66-2, pp. 4321-4333.

[137] New York Times, September 9, 1919.

against the onslaught of Republican reservations, modifications, and amendments. Toward Senator Simmons, confronted by this intense opposition, was the only man in the Senate who believed that he could get a reservation to Article ten that would hold the votes of the thirty-two Democrats and a like number of Republicans and successfully run the White House gauntlet.[138] On March 15 that belief took the form of a proposed substitute to the Lodge reservation which was still pending, by which

> the United States agrees to use its friendly offices, when requested so to do under the provisions of Article 10, in assisting to prevent a just and peaceful settlement of territorial or political controversies between nations, or to protect any member of the league from external aggression; but it does not assume any obligation to use its military or naval forces, or its financial or economic resources for the purposes of intervention in the controversies or conflicts between nations, or to protect the territorial integrity or political independence of any nation under the provisions of Article 10, unless in any particular case the Congress, in the exercise of full liberty of action and in the light of full information as to the national justice and human rights involved, shall by act or joint resolution so provide...[139]

Although many Democrats believed this draft of the reservation could be made the compromise basis, Simmons[140]

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[138] Congressional Record, 66-1, p. 4113; New York World, March 11, 1920.

[139] Congressional Record, 66-3, p. 4326.

[140] New York Times, March 15, 1920.

saw only a determination on the part of the Senate to defeat any substitute to the original reservation as offered by Lodge.[141] As a matter of fact, Simmons was convinced that the Republicans were determined to defeat the treaty from the beginning by the indirect means of amendments. "I could not vote for the Lodge reservations on Article X under any circumstances," he said. "If that is adhered to by the Republican leaders the treaty will not be ratified...."[142] In supporting the substitute Simmons pointed to the controversy which had arisen on both sides of the Chamber with regard to the phrase of the Lodge reservation declaring that the United States would assume no obligation to interfere in controversies with other nations. As a matter of compromise, he said, this reservation

> meets that proposition with the positive statement that we do not assume any obligation to use our Army or our Navy, the economic boycott, or any of our economic or financial resources for the purpose of interfering in controversies between other nations. It seems to me that is a reasonable way in which to meet this controversy, leaving interference in such controversies only to the friendly offices of this Government, to the exertion of its diplomatic resources in order to bring about peace and an adjustment of these difficulties.[143]

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[141] Congressional Record, 66-2, p. 4535.

[142] New York Times, March 15, 1920.

[143] Congressional Record, 66-2, p. 4536.

The Senator then pointed to the remaining objections eliminated by his substitute: first, that the United States assumed no obligation whatever to preserve the territorial integrity of political independency of any other country by the use of its Army, its Navy, its financial or economic resources or by the application of the boycott; and second, that there would be no more sending of "our boys to fight the battles of the world". And concluding the Senator said:

> Every fundamental objection that has been urged by Senators on the other side to this article of the treaty is met in this reservation, and every interest which they said would be jeopardized by its enactment has been met in this reservation. I can not see why men who want the treaty to be ratified, even with proper, as they claim, safeguards for the United States, can not agree upon this reservation.[144]

Senator Simmons, however, saw little hope for the success of the substitute. Shortly before the vote is challenged the senators on the other side who would not support the treaty "under any circumstances or conditions" as well as others who were exceedingly solicitous that the treaty be ratified. "And yet," he said, "...those Senators representing the majority on the other side seem to be bound by some sort of arrangement over there by which they are unable to vote for even a satisfactory change in an article of this treaty to which they

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[144] Congressional Record, 66-2, p. 4586.

have objection, unless they can get the consent of the fifteen irreconcilables."[145] And thus it was that Simmons accounted for the impossibility of getting a two-thirds majority for the treaty as indicated by the rejection of his substitute by a vote of 51 to 37 with 18 not voting.[146]

Immediately upon its failure, however, Senator Smith of Georgia offered the Simmons substitute a second time "in order to lay foundation for future amendments to the Lodge substitute," although he seemed confident of its ill success. Smith proceeded thereupon to a former argument with Senator Lenroot of Wisconsin concerning the essential differences between the Lodge and Simmons proposals which, according to Senator McCormick, had veered off into a metaphysical and legalistic discussion.[147] In presenting the character of the Lodge substitute Smith declared it to be mandatory, standing before the Senate a bare proposition that the United States would not in any case interfere in controversies between nations.

Now, Mr. President, the continued, my proposition is--and that is the fundamental difference

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145 Congressional Record, 66-2, p. 4338.

146 Ibid., p. 4339.

147 Ibid., p. 4336.

> between it and the proposition of the Senator from Massachusetts—that both as to interference with controversies growing out of questions relating to territorial integrity and political independence, and as to controversies of any other character between nations, the provision shall be that we shall not interfere with our Army or with our Navy in either case. If the Senator from Massachusetts will change the amendment...and provide that we shall not assume an obligation to preserve the territorial integrity and political independence of the League members by the use of our Army and Navy without the consent of Congress, and then add that we shall not interfere by the use of our Army and Navy in controversies between other nations...his reservation will appeal very much more strongly....[145]

These earnest pleas, however, fell on deaf ears. The Senator from Massachusetts crudely offering the datum that the "very great distinction" between the two resolutions to which "the Senator from North Carolina did not call attention, unless I failed to hear him," was "the omission of certain wording" in the Simmons resolution! Thereupon he moved to lay the Simmons amendment on the table saying: "I do not want to be disrespectful, but I think all Senators desire to bring this to an end." The motion was put and carried by a vote of 45 to 34.[146]

But the intrepid Senator from North Carolina was not to

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[145] Congressional Record, 65-2, p. 4530.

[146] Ibid., p. 4534.

be outdone. On March 18 he offered another amendment which struck out of the Lodge reservation the words "in any way", referring to the United States interfering in controversies between other nations.[150] But the interpretation placed upon it by Lodge, making it "quite destructive of the purposes of the reservation", foreclosed any discussion thereon, and it was immediately tabled.[151] Again the Senate had become a victim of the Lodge hypnosis!

To Senator Lenroot's flout that there were enough votes on the other side of the Chamber to ratify the treaty if President Wilson would permit it, Simmons meaningfully declared: "No. I do not think this side of the Chamber allows the President to control its consciences...as much as the Senators on the other side who are in favor of the treaty allow the opposition to control...their votes." He continued:

> It is a conspiracy of death, and yet these Senators taunt us with the assertion that we are bound hand and foot by the edict of the President, when in the face of the world they stand here, each one of them who claims to be a friend of the treaty, bound hand and foot to the enemies of the treaty.[152]

A sharp clash also occurred between Senators Simmons and Lodge. In an impassioned address Simmons charged that the Republicans

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[150] New York Times, March 18, 1920.

[151] Congressional Record, 66-2, p. 4534.

[152] Ibid.

who really desired to ratify the treaty and been bound by an "unholy alliance" with the irreconcilables which killed every move made by the Senators favoring ratification. Lodge, in turn, denied the charge, retorting that Wilson and "whipped the administration senators into line in disregard of their desires."[153]

Noble and courageous as the fight was, nothing availed against the iron will of the Republican dictator who declared that "the parting of the way" had come. "We considered modifications but refused to yield principles," he said. "If the Senate on the other side can not supply the necessary votes to ratify the treaty as it now stands...let them beat it, and on their heads be its fate."[154] Vote was thereupon taken resulting in the concurrence of Reservation Number Two as reported by the Committee on Foreign Relations and the Lodge reservation.[155] By this step the doom of the original treaty with Germany was foretold. On March 19 the resolution for ratification of the treaty with Germany was likewise defeated

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[153] New York Times, March 19, 1920.

[154] Congressional Record, 66-2, p. 4635.

[155] Ibid., p. 4636.

by a vote of 40 ayes and 35 nays, Simmons voting with the victorious negative group.[156]

In conclusion it must be said that the struggle over the ratification of the Versailles treaty was led by two able and influential Senators. As has been indicated, during the long months of prolix and intricate debating the entire opposition centered around the Covenant of the League of Nations. Senator Lodge was as emphatic in his denunciation of the League which, he declared, "would be a disaster to the country, a betrayal of its future,"[157] as Senator Simmons was impressive in its defense. Unfortunately the line of cleavage was distinctly along party lines. Naturally the President was able to swing most of the Democratic senators behind the treaty, but by the elections of 1918, the Republicans had achieved a majority in the Senate, and the balance was thrown against the Administration.[158] Simmons, unlike several of his Democratic colleagues, remained loyal to President Wilson to the bitter end of defeat, and it might well be said had the League of Nations passed the Senate, it would have devolved upon the linked nations of the world to have erected a lofty monument to Furnifold M. Simmons.

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156 Congressional Record, 66-1, p. 4830.

157 Ibid., p. 4559.

158 Richardson, Messages and Papers of the Presidents, XVIII, 8784.

Simmons built for the future peace of the world; Lodge built for momentary glory which attaches itself to these efforts in opposition to the nobler things of life. The fame of but one will remain, and the future will make the decision.

Senator Simmons believed with the President that

> the League of Nations was not merely an instrument to adjust and remedy old wrongs under a new treaty of peace; it was the only hope for mankind. Again and again had the demon of war been cast out of the house of the peoples and the house swept clean by a treaty of peace; only to prepare a time when he would enter in again with spirits worse than himself. The house must now be given a tenant who could bid it against all such. Convenient, indeed indispensable, as statesmen found the newly planned League of Nations to be for the execution of present plans of peace and reparation, when they saw it in a new aspect before their work was finished. They saw it as the main object of the peace, as the only thing that could complete it or make it worth while. They saw it as the hope of the world, and that hope they did not dare to disappoint. Shall we or any other free people hesitate to accept this great duty? Dare we reject it and break the heart of the world?[1]

As yet only the first part of the latter question has been answered negatively; whether the heart of the world

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[1] President Wilson left France on June 28, 1919, reaching the United States on July 8. Two days later he addressed the Senate from which this excerpt is taken. Richardson, Messages and Papers of the Presidents, XVIII, 8781-8787.

was broken with the heart of the covenant remains as yet unanswered. The future again will hold the decision. Regardless of that decision, however, the United States Senate will enacted the crucifixion of Colquitt's bill in its rejection of world leadership in the cause of peace. Although it remains for the unfolding centuries to bring the longed for universal peace, the names of Woodrow Wilson and Furnifold McLendel Simmons will occupy lofty places in the brief file of its progenitors.[100]

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100 Senator Simmons took a prominent part in the defeat of of the Treaty and League as the Democratic leader from North Carolina and not as floor mgr.

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